

Dassault Systèmes: Solid First Quarter Driven by Strong Subscription, Reaffirming FY23 Objectives

[Dassault Systèmes](#) (Euronext Paris: FR0014003TT8, DSY.PA), today announced IFRS unaudited financial results for the first quarter ended March 31, 2023. The Group's Board of Directors approved these results on April 25, 2023. This press release also includes financial information on a non-IFRS basis and reconciliations with IFRS figures in the Appendix to this communication.

Summary Highlights

(unaudited, IFRS & non-IFRS unless otherwise noted,
all revenue growth rates in constant currencies)

- 1Q23: Revenue increased 7% with software revenue up 6%. Recurring revenue rose 10%, driven by strong subscription growth of 14%.
- 1Q23: Cloud software revenue increased 17%. **3DEXPERIENCE** software revenue rose 10%.
- 1Q23: IFRS Operating Margin of 20.8%. Non-IFRS Operating Margin of 31.0%, well-aligned with objectives, while continuing to invest to support future growth.
- 1Q23: IFRS diluted EPS declined 3% to €0.19 as reported. Non-IFRS diluted EPS grew 1% to €0.28 as reported, at the high-end of the objective range.
- 1Q23: Record IFRS operating cash flow of €783 million, up 24%. Dassault Systèmes is now deleveraged.
- FY2023: Reaffirming non-IFRS objectives of diluted EPS reaching €1.18-€1.20 and revenue growth of 8%-9%.

Bernard Charlès, Dassault Systèmes' Chairman of the Board and Chief Executive Officer commented:

“As the Experience Economy and the circular economy are converging, our valued customers see reinventing a sustainable economy as both a challenge and a significant opportunity to differentiate. Our most advanced clients demonstrate the value of experience-based product creation and confirm the importance of expanding product life cycle management to material circularity. They rely on Dassault Systèmes to imagine new solutions, create differentiated offerings and new ways of operating. Today, the innovators who create, produce and run sustainable experiences, think in terms of lifecycle and systems of systems.

We make this a reality through our virtual twin experiences, powered by the **3DEXPERIENCE** platform, that offer a unique combination of science (including material sciences, biology, mechanics, electronics and chemistry), modeling, simulation and AI-based data science. Dassault Systèmes empowers customers with a holistic approach to innovation and the ability to

seamlessly link value creation with value experienced, design and usage, to cover the full experience lifecycle.

The wide adoption of virtual twin experiences by user communities is the catalyst of new ways of collaborating at scale and capitalizing knowledge and know-how, based on “Experience as a Service”. Today’s and tomorrow’s industry leaders are those who leverage platforms and virtual twins to connect supply and demand, to bring together new experience-centered industrial value networks, and to build a heritage of knowledge and know-how. Investing in virtual twin experiences is the most valuable way to create sustainable paths for the future.”

Dassault Systèmes’ Deputy Chief Executive Officer & Chief Operating Officer Commentary

(revenue growth rates in constant currencies, data on a non-IFRS basis)

Pascal Daloz, Dassault Systèmes’ Deputy Chief Executive Officer & Chief Operating Officer, commented:

“For our customers, their business environment remains volatile. To increase agility and profitability, clients are turning to Dassault Systèmes to enable real-time analysis of raw material and part substitutions, as well as the reshaping of value networks.

In Manufacturing Industries, sustainability is driving a reimagining of portfolios. There is a race to innovate across all subsectors from new mobility to clean energy. In Life Sciences, smarter approaches to research and development - from the Virtual Twin of the Human to Synthetic Control Arms - are vital to advance and scale complex therapeutics and promote the patient journey towards precision medicine.

These transformations can only be achieved with our deep-science and platform based Virtual Twin Experiences. As we look to the remainder of the year, we are uniquely well positioned to turn challenges into opportunities and execute successfully against the significant business drivers before us.”

Financial Summary

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	Q1 2023	Q1 2022	Change	Change in constant currencies	Q1 2023	Q1 2022	Change	Change in constant currencies
Total Revenue	1,434.2	1,324.5	8%	7%	1,434.2	1,324.6	8%	7%
Software Revenue	1,288.2	1,205.5	7%	6%	1,288.2	1,205.6	7%	6%
Operating Margin	20.8%	25.3%	(4.5)pts		31.0%	35.0%	(4.0)pts	
Diluted EPS	0.19	0.20	(3)%		0.28	0.27	1%	1%

First Quarter 2023 Versus 2022 Financial Comparisons

(unaudited, all revenue growth rates in constant currencies)

- **Total Revenue (IFRS and non-IFRS):** Total revenue grew 7% to €1.43 billion. Software revenue increased 6%, to €1.29 billion. Subscription & support revenue rose 10%; recurring

revenue represented 84% of total software revenue. Licenses and other software revenue declined 10%, to €211 million, driven by stronger than expected headwinds from China. Services revenue increased 21%, during the quarter.

- **Software Revenue by Geography (IFRS and non-IFRS):** The Americas revenue grew 6% to represent 41% of software revenue. The region benefited from strong performance in Life Sciences and High-Tech, and good results in Mainstream Innovation. In Europe, revenue increased 12% to 36% of software revenue, thanks to strong results in western and southern Europe, and Transportation & Mobility from an industry perspective. In the Asia region, revenue declined 3% driven by China, down 8%, during the quarter. This was partially offset by robust, double-digit growth in India. Asia represented 22% of software revenue at the end of the first quarter.
- **Software Revenue by Product Line:**
 - **Industrial Innovation** software revenue rose 4% to €685.1 million on both an IFRS and non-IFRS basis, thanks to double-digit growth in subscription revenue, driven by strong momentum in CATIA and ENOVIA. SIMULIA and NETVIBES also performed well. Industrial Innovation software represented 53% of software revenue, during the period.
 - **Life Sciences** software revenue rose 11% on both an IFRS and non-IFRS basis, to €292.9 million to account for 23% of software revenue. MEDIDATA continued to exhibit strong momentum, growing 13% during the period.
 - **Mainstream Innovation** software revenue totaled €310.1 million on an IFRS and non-IFRS basis, an increase of 4%, and representing 24% of software revenue. SOLIDWORKS reported low single-digit growth, against a relatively high comparison base. CENTRIC PLM performed well, benefiting from its leading market position and successful diversification strategy.
- **Software Revenue by Industry (IFRS and non-IFRS):** Aerospace & Defense, Life Sciences & Healthcare, Marine & Offshore and Cities & Public Services exhibited some of the highest growth rates during the quarter.
- **Key Strategic Drivers (IFRS and non-IFRS):** 3DEXPERIENCE software revenue increased 10% and represented 31% of 3DEXPERIENCE Eligible software revenue. Cloud software revenue grew 17% and represented 24% of software revenue, during the period.
- **Operating Income and Margin:** IFRS operating income declined 11%, as reported. Non-IFRS operating income declined 4% to €444.8 million, as reported. The IFRS operating margin was 20.8% compared to 25.3% in the first quarter of 2022. The non-IFRS operating margin totaled 31.0%, versus 35.0% for the comparable period last year.
- **Earnings per Share:** IFRS diluted EPS decreased 3% to €0.19, as reported. Non-IFRS diluted EPS grew 1% to €0.28, as reported.

- **Cash Flow from Operations (IFRS):** Cash flow from operations totaled a record €783 million, an increase of 24% relative to the same period last year.
- **Balance Sheet (IFRS):** Dassault Systèmes' net financial position totaled €459 million for the quarter ended March 31, 2023, an increase of €686 million, compared to €(227) million for the year ended December 31, 2022. Cash, cash equivalents and short-term investments totaled €3.468 billion at the end of the quarter.

Dassault Systèmes' Chief Financial Officer Commentary

(revenue growth rates in constant currencies, data on a non-IFRS basis, cash flow IFRS)

Rouven Bergmann, Dassault Systèmes' Chief Financial Officer, commented:

"We had a solid start of the year as we remained focused on the fundamentals of our business model, increasing the share of predictable revenue with strong growth in subscription and cloud revenue up 14% and 17% respectively, while delivering on the profitability targets. As a result, total revenue grew 7%, in line with our objectives, offsetting stronger than expected headwinds from China, demonstrating the durability of our well-diversified model. Recurring revenue rose 10%, and represented 84% of software revenue.

Adding to the fundamentals, we generated a record high Cash from Operations, up 24% to €783 million. As expected, we are now deleveraged, nearly one year ahead of schedule. This strong performance is highlighted by good Q1 profitability with diluted earnings per share of €0.28 and an operating margin of 31%, both in line with our target range. We achieved our objectives while continuing to invest to support our long-term growth, increasing headcount 8%.

For the full year 2023, we are positioned for continued growth, supported by our strong value proposition and long-term structural drivers across our end markets. We are reaffirming our objectives of revenue growth of 8% to 9% and diluted earnings per share of €1.18 to €1.20."

Financial Objectives for 2023

Dassault Systèmes' second quarter and 2023 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2023 currency exchange rate assumptions for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q2 2023	FY 2023
Total Revenue (billion)	€1.440 - €1.463	€5.940 - €5.990
Growth	4 - 6%	5 - 6%
Growth ex FX	7 - 9%	8 - 9%
Software revenue growth *	7 - 9%	8 - 9%
<i>Of which licenses and other software revenue growth *</i>	0 - 5%	2 - 5%

Of which recurring revenue growth *	9 - 10%	10 - 11%
Services revenue growth *	6 - 8%	5 - 7%
Operating Margin	30% - 30.5%	32.3% - 32.6%
EPS Diluted	€0.27 - €0.28	€1.18 - €1.20
Growth	3 - 6%	4 - 6%
Growth ex FX	8 - 10%	8 - 10%
US dollar	\$1.10 per Euro	\$1.09 per Euro
Japanese yen (before hedging)	JPY 140.0 per Euro	JPY 140.5 per Euro

* Growth in Constant Currencies

These objectives are prepared and communicated only on a non-IFRS basis and are subject to the cautionary statement set forth below.

The 2023 non-IFRS financial objectives set forth above do not take into account the following accounting elements below and are estimated based upon the 2023 principal currency exchange rates above: no significant contract liabilities write-downs; share-based compensation expenses, including related social charges, estimated at approximately €135 million (these estimates do not include any new stock option or share grants issued after March 31, 2023); amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €374 million, largely impacted by the acquisition of Medidata; and lease incentives of acquired companies at approximately €3 million.

The above objectives also do not include any impact from other operating income and expenses, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments. Finally, these estimates do not include any new acquisitions or restructuring completed after March 31, 2023.

Corporate Announcements

- March 23, 2023: [Global Medidata Certification Model Helps Rave EDC Study Builders Create New Value for Their Companies](#)
- March 17, 2023: [Dassault Systèmes: Filing of the 2022 Universal registration document](#)
- March 15, 2023: [Dassault Systèmes announces the launch of a new global employee shareholding program](#)
- March 8, 2023: [European Space Agency and Dassault Systèmes Sign Letter of Intent to Support Space Startups and Entrepreneurship across Europe](#)
- March 7, 2023: [Allucent Expands Use of Medidata Clinical Cloud to Accelerate New Drug Development for Unmet Patient Needs](#)

- March 2, 2023: Medidata Drives Diversity in Clinical Trials, Passing 30,000 Studies and 9 Million Participants
- February 21, 2023: Medidata Bolsters Senior Leadership Team to Further Accelerate the Digital Transformation of Life Sciences with Unmatched End-to-End Solutions
- February 10, 2023: Dassault Systèmes' 3DEXPERIENCE World 2023: Connecting Emotion, Innovation and Creation for a More Sustainable World
- February 2, 2023: Dassault Systèmes Developed a New Data Science Solution to Allow Renault Group to Optimize Vehicle Costs
- January 19, 2023: Dassault Systèmes and IBM collaborate to accelerate the sustainable transformation of asset-intensive industries thanks to virtual twin experiences
- January 12, 2023: Dassault Systèmes Presents Urban Renaissance, Featuring a 3D Mapping Project Illustrating the City of Tomorrow by Korean Artist Yiyun Kang
- January 9, 2023: Dassault Systèmes Governance Plan Announced in 2022 Now Effective
- January 6, 2023: CES 2023: The Software République and the Région Île-de-France launch the "AI for Urban Mobility" challenge

Today's Webcast and Conference Call Information

Today, Wednesday, April 26, 2023, Dassault Systèmes will host, from London, a webcasted presentation at 9:00 AM London Time / 10:00 AM Paris time, and will then host a conference call at 9:00 AM New York time / 2:00 PM London time / 3:00 PM Paris time. The webcasted presentation and conference calls will be available online by accessing investor.3ds.com.

Additional investor information is available at investor.3ds.com or by calling Dassault Systèmes' Investor Relations at +33.1.61.62.69.24.

Investor Relations Events

- Capital Markets Day: June 9, 2023
- Second Quarter 2023 Earnings Release: July 25, 2023
- Third Quarter 2023 Earnings Release: October 25, 2023
- Fourth Quarter 2023 Earnings Release: February 1, 2024

Forward-looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Group's non-IFRS financial performance objectives are forward-looking statements. Such forward-looking statements are

based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors.

The Group's actual results or performance may be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section 1.9 of the 2022 Universal Registration Document ('Document d'enregistrement universel') filed with the AMF (French Financial Markets Authority) on March 17, 2023, available on the Group's website www.3ds.com.

In particular, please refer to the risk factor "Uncertain Global Economic Environment" in section 1.9.1.1 of the 2022 Universal Registration Document set out below for ease of reference:

"In light of the uncertainties regarding economic, business, social, health and geopolitical conditions at the global level, Dassault Systèmes' revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis, mainly due to the following factors:

- the deployment of Dassault Systèmes' solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global geopolitical, economic and health conditions and the lack of visibility or the lack of financial resources may cause some customers, e.g. within the automotive, aerospace, energy or natural resources industries, to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base, which impact larger customers' revenue with their respective sub-contractors;
- the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and impact Dassault Systèmes' business, for example, due to stricter export compliance rules or the introduction of new customs tariffs;
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries;
- uncertainties regarding the extent and duration of inflation could adversely affect the financial position of Dassault Systèmes; and
- the sales cycle of the Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen.

The occurrence of crises – health and political crises in particular – could have consequences both for the health and safety of Dassault Systèmes' employees and for the Company. It could also adversely impact the financial situation or financing and supply capabilities of Dassault Systèmes' existing and potential customers, commercial and technology partners, some of whom may be forced to temporarily close sites or cease operations. A deteriorating economic environment could generate increased price pressure and affect the collection of receivables, which would negatively impact Dassault Systèmes' revenue, financial performance and market position.

Dassault Systèmes makes every effort to take into consideration this uncertain macroeconomic outlook. Dassault Systèmes' business results, however, may not develop as anticipated. Furthermore, due to factors affecting sales of Dassault Systèmes' products and services, there

may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results.

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.10 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY140.0 to €1.00, before hedging for the second quarter 2023. The Group has in particular assumed an average US dollar to euro exchange rate of US\$1.09 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY140.5 to €1.00, before hedging for the full year 2023. However, currency values fluctuate, and the Group's results may be significantly affected by changes in exchange rates.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS financial information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Specific limitations for individual non-IFRS measures are set forth in the Company's 2022 Universal Registration Document filed with the AMF on March 17, 2023.

In the tables accompanying this press release the Group sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets and of tangibles reevaluation, certain other operating income and expense, net, including impairment of goodwill and acquired intangibles, the effect of adjusting lease incentives of acquired companies, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

FOR MORE INFORMATION

Dassault Systèmes' **3DEXPERIENCE** platform, 3D design software, 3D Digital Mock Up and Product Lifecycle Management (PLM) solutions: <http://www.3ds.com>

Connect with Dassault Systèmes on



ABOUT DASSAULT SYSTÈMES

Dassault Systèmes, the **3DEXPERIENCE®** Company, is a catalyst for human progress. We provide business and people with collaborative virtual environments to imagine sustainable innovations. By creating virtual twin experiences of the real world with our **3DEXPERIENCE** platform and applications, our customers can redefine the creation, production and life-cycle-management processes of their offer and thus have a meaningful impact to make the world more sustainable. The beauty of the Experience Economy is that it is a human-centered economy for the benefit of all – consumers, patients and citizens. Dassault Systèmes brings value to more than 300,000 customers of all sizes, in all industries, in more than 150 countries. For more information, visit www.3ds.com

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APPENDIX TABLE OF CONTENTS

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Condensed consolidated balance sheet

Condensed consolidated cash flow statement

IFRS – non-IFRS reconciliation

DASSAULT SYSTÈMES - Glossary of Definitions

Information in Constant Currencies

Dassault Systèmes has followed a long-standing policy of measuring its revenue performance and setting its revenue objectives exclusive of currency in order to measure in a transparent manner the underlying level of improvement in its total revenue and software revenue by activity, industry, geography and product lines. The Group believes it is helpful to evaluate its growth exclusive of currency impacts, particularly to help understand revenue trends in its business. Therefore, the Group provides percentage increases or decreases in its revenue and expenses (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed “in constant currencies”, the results of the “prior” period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

While constant currency calculations are not considered to be an IFRS measure, the Group believes these measures are critical to understanding its global revenue results and to compare with many of its competitors who report their financial results in U.S. dollars. Therefore, Dassault Systèmes is including this calculation for comparing IFRS revenue figures for comparable periods as well as for comparing non-IFRS revenue figures for comparable periods. All information at constant exchange rates are expressed as a rounded percentage and therefore may not precisely reflect the absolute figures.

Information on Growth excluding acquisitions (“organic growth”)

In addition to financial indicators on the entire Group’s scope, Dassault Systèmes provides growth excluding acquisitions effect, also named organic growth. In order to do so, the data relating to the scope is restated excluding acquisitions, from the date of the transaction, over a period of 12 months.

Information on Industrial Sectors

Dassault Systèmes’ Industries develop Solution Experiences, industry-focused offerings that deliver specific value to companies and users in a particular industry. We serve twelve industries structured into three sectors:

- Manufacturing industries: Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods - Retail. In Manufacturing Industries, Dassault Systèmes help customers virtualize their operations, improve data sharing and collaboration across their organization, reducing costs and time-to-market, and becoming more sustainable;
- Life Sciences & Healthcare: Life Sciences & Healthcare. In this sector, the Group aims to address the entire cycle of the patient journey to lead the way toward precision medicine. To reach the broader healthcare ecosystem from Research to commercial, the Group’s solutions connect all elements from molecule development to prevention to care, and combine new therapeutics, med practices, and med-tech;

- Infrastructure & Cities: Infrastructure, Energy & Materials; Architecture, Engineering & Construction; Business Services; Cities & Public Services. In Infrastructure & Cities, the Group supports the virtualization of the sector in making the construction industry more efficient and sustainable.

Information on Product Lines

Our product lines financial reporting include the following financial information:

- Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES, and 3DEXCITE brands;
- Life Sciences software revenue, comprised of our MEDIDATA and BIOVIA brands;
- Mainstream Innovation software revenue, comprised of our CENTRIC PLM and 3DVIA brands, as well as our **3DEXPERIENCE WORKS** family which includes the SOLIDWORKS brand.

GEOs

Eleven GEOs are responsible for driving the development of our business and implementing our customer-centric engagement model. Teams leverage strong network of local customers, users, partners, and influencers.

These GEOs are structured into 3 groups:

- the “Americas” group, made of 2 GEOs;
- the group named “Europe”, comprising Europe, Middle East and Africa (EMEA) and made of 4 GEOs;
- the group named “Asia”, comprising Asia and Oceania and made of 5 GEOs.

3DEXPERIENCE Licenses and Software Contribution

To measure the relative share of **3DEXPERIENCE** software, we utilize the following ratios:

- for Licenses revenue, we calculate the percentage contribution by comparing total **3DEXPERIENCE** Licenses revenue to Licenses revenue for all product lines except SOLIDWORKS on premise, MEDIDATA, CENTRIC PLM and other acquisitions (defined as “**3DEXPERIENCE** Eligible Licenses revenue”);
- for Software revenue, the Group calculates the percentage contribution by comparing total **3DEXPERIENCE** software revenue to software revenue for all product lines except SOLIDWORKS on premise, MEDIDATA, CENTRIC PLM and other acquisitions (defined as “**3DEXPERIENCE** Eligible software revenue”).

Cloud Revenue

Cloud revenue corresponds to revenue generated through a catalog of online services and managed services to run cloud solutions on behalf of the customer delivered by Dassault Systèmes via a cloud infrastructure hosted by Dassault

Systemes, or by third party providers of cloud computing infrastructure services. This offering is available through different deployment methods: Public cloud, Private cloud, Dedicated cloud. All cloud applications can be offered through perpetual licenses and maintenance or subscriptions models.

DASSAULT SYSTÈMES

NON-IFRS FINANCIAL INFORMATION

(unaudited; in millions of Euros, except per share data, percentages, headcount and exchange rates)

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' contract liabilities (deferred revenue), share-based compensation expense, including related social charges, amortization of acquired intangible assets and of tangible assets revaluation, lease incentives of acquired companies, other operating income and expense, net, including the acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets, certain one-time items included in financial loss, net, certain one-time tax effects and the income tax effects of these non-IFRS adjustments.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data, percentages, headcount and exchange rates	Non-IFRS reported			
	Three months ended			
	March 31, 2023	March 31, 2022	Change	Change in constant currencies
Total Revenue	€ 1,434.2	€ 1,324.6	8%	7%
Revenue breakdown by activity				
Software revenue	1,288.2	1,205.6	7%	6%
<i>Of which licenses and other software revenue</i>	211.0	234.7	(10)%	(10)%
<i>Of which subscription and support revenue</i>	1,077.2	970.9	11%	10%
Services revenue	146.0	119.0	23%	21%
Software revenue breakdown by product line				
Industrial Innovation	685.1	654.4	5%	4%
Life Sciences	292.9	254.0	15%	11%
Mainstream Innovation	310.1	297.2	4%	4%
Software Revenue breakdown by geography				
Americas	534.5	483.8	10%	6%
Europe	469.5	422.3	11%	12%
Asia	284.2	299.6	(5)%	(3)%
Operating income	€ 444.8	€ 464.0	(4)%	
Operating margin	31.0%	35.0%		
Net income attributable to shareholders	€ 367.8	€ 362.3	2%	
Diluted earnings per share	€ 0.28	€ 0.27	1%	1%
Closing headcount	24,753	22,898	8%	
Average Rate USD per Euro	1.07	1.12	(4)%	
Average Rate JPY per Euro	141.98	130.46	9%	

DASSAULT SYSTÈMES

ACQUISITIONS AND FOREIGN EXCHANGE IMPACT

(unaudited; in millions of Euros)

In millions of Euros	Non-IFRS reported			o/w growth at constant rate and scope	o/w change of scope impact at current year rate	o/w FX impact on previous year figures
	March 31, 2023	March 31, 2022	Change			
Revenue QTD	1,434.2	1,324.6	109.6	94.4	1.1	14.1

DASSAULT SYSTÈMES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited; in millions of Euros, except per share data and percentages)

In millions of Euros, except per share data and percentages	IFRS reported	
	Three months ended	
	March 31, 2023	March 31, 2022
Licenses and other software revenue	211.0	234.7
Subscription and Support revenue	1,077.2	970.9
Software revenue	1,288.2	1,205.5
Services revenue	146.0	119.0
Total Revenue	€ 1,434.2	€ 1,324.5
Cost of software revenue ⁽¹⁾	(115.5)	(110.4)
Cost of services revenue	(122.4)	(100.4)
Research and development expenses	(291.1)	(244.5)
Marketing and sales expenses	(402.0)	(337.3)
General and administrative expenses	(107.0)	(96.1)
Amortization of acquired intangible assets and of tangible assets revaluation	(96.1)	(95.9)
Other operating income and expense, net	(1.6)	(4.8)
Total Operating Expenses	(1,135.6)	(989.4)
Operating Income	€ 298.6	€ 335.1
Financial income (loss), net	18.2	(4.9)
Income before income taxes	€ 316.8	€ 330.3
Income tax expense	(61.7)	(66.2)
Net Income	€ 255.1	€ 264.0
Non-controlling interest	0.4	0.3
Net Income attributable to equity holders of the parent	€ 255.4	€ 264.3
Basic earnings per share	0.19	0.20
Diluted earnings per share	€ 0.19	€ 0.20
Basic weighted average shares outstanding (in millions)	1,314.3	1,309.8
Diluted weighted average shares outstanding (in millions)	1,327.0	1,325.8

⁽¹⁾ Excluding amortization of acquired intangible assets and of tangible assets revaluation.

IFRS reported	Three months ended March 31, 2023	
	Change ⁽²⁾	Change in constant currencies
Total Revenue	8%	7%
Revenue by activity		
Software revenue	7%	6%
Services revenue	23%	21%
Software Revenue by product line		
Industrial Innovation	5%	4%
Life Sciences	15%	11%
Mainstream Innovation	4%	4%
Software Revenue by geography		
Americas	10%	6%
Europe	11%	12%
Asia	(5)%	(3)%

⁽²⁾ Variation compared to the same period in the prior year.

DASSAULT SYSTÈMES
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported	
	March 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	3,468.1	2,769.0
Trade accounts receivable, net	1,286.9	1,661.6
Contract assets	26.5	20.3
Other current assets	396.2	393.5
Total current assets	5,177.7	4,844.3
Property and equipment, net	810.7	819.9
Goodwill and Intangible assets, net	8,032.8	8,273.6
Other non-current assets	329.1	323.3
Total non-current assets	9,172.6	9,416.8
Total Assets	€ 14,350.3	€ 14,261.1
LIABILITIES		
Trade accounts payable	181.1	216.3
Contract liabilities	1,600.6	1,536.6
Borrowings, current	270.8	258.6
Other current liabilities	799.3	869.6
Total current liabilities	2,851.8	2,881.0
Borrowings, non-current	2,738.1	2,737.4
Other non-current liabilities	1,280.2	1,317.8
Total non-current liabilities	4,018.3	4,055.2
Non-controlling interests	12.0	14.2
Parent shareholders' equity	7,468.3	7,310.7
Total Liabilities	€ 14,350.3	€ 14,261.1

DASSAULT SYSTÈMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported		
	Three months ended		
	March 31, 2023	March 31, 2022	Change
Net income attributable to equity holders of the parent	255.4	264.3	(8.9)
Non-controlling interest	(0.4)	(0.3)	(0.1)
Net income	255.1	264.0	(9.0)
Depreciation of property and equipment	44.8	45.9	(1.1)
Amortization of intangible assets	98.6	99.0	(0.5)
Adjustments for other non-cash items	23.4	31.2	(7.8)
Changes in working capital	361.1	190.3	170.8
Net Cash From Operating Activities	€ 783.0	€ 630.5	€ 152.5
Additions to property, equipment and intangibles assets	(34.7)	(30.8)	(3.9)
Payment for acquisition of businesses, net of cash acquired	-	(3.5)	3.5
Other	(5.1)	(26.8)	21.7
Net Cash Provided by (Used in) Investing Activities	€ (39.8)	€ (61.1)	€ 21.3
Proceeds from exercise of stock options	10.3	18.4	(8.1)
Repurchase and sale of treasury stock	3.0	(526.9)	530.0
Capital increase	-	198.6	(198.6)
Acquisition of non-controlling interests	(0.3)	(0.5)	0.2
Proceeds from borrowings	12.6	2.9	9.7
Repayment of borrowings	(1.1)	(235.2)	234.2
Repayment of lease liabilities	(24.7)	(23.1)	(1.7)
Net Cash Provided by (Used in) Financing Activities	€ (0.2)	€ (565.8)	€ 565.6
Effect of exchange rate changes on cash and cash equivalents	(43.8)	25.1	(68.9)
Increase (decrease) in cash and cash equivalents	€ 699.1	€ 28.6	€ 670.5
Cash and cash equivalents at beginning of period	€ 2,769.0	€ 2,979.5	
Cash and cash equivalents at end of period	€ 3,468.1	€ 3,008.1	

DASSAULT SYSTÈMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION

(unaudited; in millions of Euros, except per share data and percentages)

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's *Document d'Enregistrement Universel* for the year ended December 31, 2022 filed with the AMF on March 17, 2023. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Three months ended March 31,						Change	
	2023 IFRS	Adjustment ⁽¹⁾	2023 Non-IFRS	2022 IFRS	Adjustment ⁽¹⁾	2022 Non-IFRS	IFRS	Non-IFRS ⁽²⁾
Total Revenue	€ 1,434.2	-	€ 1,434.2	€ 1,324.5	€ 0.1	€ 1,324.6	8%	8%
Revenue breakdown by activity								
Software revenue	1,288.2	-	1,288.2	1,205.5	0.1	1,205.6	7%	7%
Licenses and other software revenue	211.0	-	211.0	234.7	-	234.7	(10)%	(10)%
Subscription and Support revenue	1,077.2	-	1,077.2	970.9	0.1	970.9	11%	11%
<i>Recurring portion of Software revenue</i>	<i>84%</i>		<i>84%</i>	<i>81%</i>		<i>81%</i>		
Services revenue	146.0	-	146.0	119.0	-	119.0	23%	23%
Software Revenue breakdown by product line								
Industrial Innovation	685.1	-	685.1	654.4	-	654.4	5%	5%
Life Sciences	292.9	-	292.9	254.0	-	254.0	15%	15%
Mainstream Innovation	310.1	-	310.1	297.2	0.1	297.2	4%	4%
Software Revenue breakdown by geography								
Americas	534.5	-	534.5	483.7	0.0	483.8	10%	10%
Europe	469.5	-	469.5	422.2	-	422.3	11%	11%
Asia	284.2	-	284.2	299.6	-	299.6	(5)%	(5)%
Total Operating Expenses	€ (1,135.6)	€ 146.2	€ (989.4)	€ (989.4)	€ 128.8	€ (860.6)	15%	15%
Share-based compensation expense and related social charges	(47.8)	47.8	-	(27.5)	27.5	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(96.1)	96.1	-	(95.9)	95.9	-		
Lease incentives of acquired companies	(0.7)	0.7	-	(0.7)	0.7	-		
Other operating income and expense, net	(1.6)	1.6	-	(4.8)	4.8	-		
Operating Income	€ 298.6	€ 146.2	€ 444.8	€ 335.1	€ 128.9	€ 464.0	(11)%	(4)%
Operating Margin	20.8%		31.0%	25.3%		35.0%		
Financial income (loss), net	18.2	0.9	19.1	(4.9)	0.4	(4.5)	N/A	N/A
Income tax expense	(61.7)	(34.3)	(96.0)	(66.2)	(31.0)	(97.2)	(7)%	(1)%
Non-controlling interest	0.4	(0.4)	(0.0)	0.3	(0.3)	(0.0)	40%	N/A
Net Income attributable to shareholders	€ 255.4	€ 112.4	€ 367.8	€ 264.3	€ 98.0	€ 362.3	(3)%	2%
Diluted Earnings Per Share ⁽³⁾	€ 0.19	€ 0.08	€ 0.28	€ 0.20	€ 0.07	€ 0.27	(3)%	1%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the effect of adjusting the carrying value of acquired companies' contract liabilities (deferred revenue); (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangible assets and of tangible assets revaluation, share-based compensation expense, including related social charges, lease incentives of acquired companies, as detailed below, and other operating income and expense, net including acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; (iii) adjustments to IFRS financial loss, net reflect the exclusion of certain one-time items included in financial loss, net, and; (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted earnings per share, certain one-time tax effects and the income tax effect of the non-IFRS adjustments.

In millions of Euros, except percentages	Three months ended March 31,								Change	
	2023 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2023 Non- IFRS	2022 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2022 Non- IFRS	IFRS	Non- IFRS
Cost of revenue	(237.8)	2.2	0.2	(235.4)	(210.7)	1.3	0.2	(209.2)	13%	12%
Research and development expenses	(291.1)	17.9	0.3	(272.8)	(244.5)	9.2	0.3	(235.0)	19%	16%
Marketing and sales expenses	(402.0)	13.6	0.1	(388.3)	(337.3)	8.1	0.1	(329.1)	19%	18%
General and administrative expenses	(107.0)	14.0	0.1	(92.9)	(96.1)	8.9	0.1	(87.2)	11%	7%
Total		€ 47.8	€ 0.7			€ 27.5	€ 0.7			

⁽²⁾ The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.

⁽³⁾ Based on a weighted average 1,327.0 million diluted shares for Q1 2023 and 1,325.8 million diluted shares for Q1 2022.