

TALENTSOFT LIMITED

9941896

PARENT COMPANY FINANCIAL STATEMENTS

NOTE \* PAGE 7 RE CA479A AUDIT EXEMPTION



**TALENTSOFT**  
Human added value

31 DEC 2020

## Consolidated Financial Statements for the period ended December 31, 2020

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## CONSOLIDATED STATEMENT OF INCOME

<i>(In thousands of euros)</i>	<i>Notes</i>	12.2020	12.2019
Revenue	5.1	75 476	71 228
Other operating income	5.2	16 851	16 822
<b>Operating revenues</b>		<b>92 327</b>	<b>88 050</b>
Procurement and other external expenses	5.3	(31 783)	(36 376)
Personnel expenses	5.4	(52 691)	(48 892)
Depreciations and provisions		(12 095)	(9 493)
Taxes and levies		(1 367)	(1 215)
<b>Income from Operations</b>		<b>(5 609)</b>	<b>(7 925)</b>
Non-recurring income and expenses	5.6	(261)	(179)
Financial income and expenses	5.5	(1 268)	(1 360)
<b>Profit before Income taxes</b>		<b>(7 138)</b>	<b>(9 464)</b>
Income taxes	5.7	(81)	(184)
<b>Net profit (loss) of controlled entities before goodwill amortization</b>		<b>(7 219)</b>	<b>(9 648)</b>
Profit (loss) from equity-accounted entities		-	-
Goodwill amortization expense		-	-
<b>Net profit (loss) for the period</b>		<b>(7 219)</b>	<b>(9 648)</b>
- Attributable to shareholders of Talentsoft S.A.		(7 219)	(9 646)
- Attributable to non-controlling interests		0	(2)

The accompanying notes form an integral part of these consolidated financial statements

## CONSOLIDATED BALANCE SHEET

### Assets

<i>(In thousands of euros)</i>	<i>Notes</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
Goodwill	4.1	16 874	15 977
Intangible assets	4.2	21 654	18 648
Tangible assets	4.3	2 348	2 645
Financial fixed assets	4.4	2 106	2 054
<b>Total fixed assets</b>		<b>42 982</b>	<b>39 324</b>
Trade receivables	4.5	45 717	40 871
Other receivables and prepaid expenses	4.6	10 749	11 442
Deferred tax assets	4.7	241	259
Cash and cash equivalents	4.8	22 422	18 894
<b>Total current assets</b>		<b>79 129</b>	<b>71 465</b>
<b>Total assets</b>		<b>122 111</b>	<b>110 790</b>

### Equity and liabilities

<i>(In thousands of euros)</i>	<i>Notes</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
Share capital		2 812	2 711
Additional paid-in capital		18 688	21 636
Consolidated reserves		(7 076)	(6 368)
Net profit (loss) attributable to shareholders of Talentsoft S.A.		(7 219)	(9 646)
Other		-	56
Investment grants		-	29
<b>Equity attributable to shareholders of Talentsoft S.A.</b>		<b>7 205</b>	<b>8 418</b>
Non-controlling interests		-	-
<b>Total equity</b>	4.9	<b>7 205</b>	<b>8 418</b>
<b>Provisions for risks and charges</b>	4.10	<b>2 081</b>	<b>1 861</b>
Borrowings and other financial liabilities	4.11	28 918	23 566
Deferred tax liabilities	4.7	-	-
Trade payables		9 723	12 021
Other current liabilities	4.12	74 184	64 924
<b>Total current liabilities</b>		<b>112 825</b>	<b>100 511</b>
<b>Total Equity and liabilities</b>		<b>122 111</b>	<b>110 790</b>

The accompanying notes form an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(In thousands of euros)</i>	<i>Notes</i>	12.2020	12.2019
<b>Net profit (loss) of controlled entities before goodwill amortization</b>		<b>(7 219)</b>	<b>(9 648)</b>
<i>Restatement of non-cash and non-operating items</i>			
- Depreciation and provisions (1)		11 938	9 479
- Change in deferred taxes		19	125
- Income tax		62	59
- Gain or loss on disposals		7	(174)
- Interest expenses from Bank loans		630	909
<b>Gross operating cash flow of controlled entities</b>		<b>5 436</b>	<b>750</b>
<b>Income tax paid</b>		<b>35</b>	<b>34</b>
<b>Change in operating working capital requirement</b>		<b>2 338</b>	<b>(3 611)</b>
<b>Net cash provided by (used in) operating activities</b>		<b>7 809</b>	<b>(2 827)</b>
Acquisitions of intangible assets, property, plant and equipment	4 2 / 4 3	(14 474)	(15 228)
Proceeds from sales of intangible assets, property, plant and equipment		295	371
Acquisitions of financial assets		(103)	(117)
Investments, net of cash acquired		(252)	0
<b>Net cash used in investing activities</b>		<b>(14 534)</b>	<b>(14 974)</b>
Share capital increase		126	293
Proceeds from borrowings	4 11	15 000	0
Interests paid		(446)	(758)
Repayments of borrowings	4 11	(763)	(1 966)
Other financial debts (2)	4 11	(3 668)	(3 500)
<b>Net cash provided by (used in) financing activities</b>		<b>10 249</b>	<b>(5 931)</b>
<b>Change in net cash and cash equivalents</b>		<b>3 524</b>	<b>(23 731)</b>
Net cash and cash equivalents at beginning of period		18 894	42 615
Effect of exchange rate changes on cash and cash equivalents		(3)	10
<b>Net cash and cash equivalents at end of period</b>		<b>22 415</b>	<b>18 894</b>

(1) Exclusion des provisions pour actif circulant - incluant les reprises de subventions d'investissement.

(2) Ce poste inclut les financements (y compris le coût financier afferent) obtenus auprès de différents organismes de financement sur la base de contrats pluriannuels signés avec certains clients.

The accompanying notes form an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euros)	Share capital	Additional paid-in capital	Cumulative translation adjustment	Consolidated reserves	Net profit (loss) for the period	Others	Investment grants	Equity attributable to shareholders of Talentsoft S.A.	Non-controlling interests	Total Equity
<b>Solde au 31 décembre 2019</b>	<b>2 711</b>	<b>21 626</b>	<b>19</b>	<b>(6 377)</b>	<b>(9 646)</b>	<b>56</b>	<b>29</b>	<b>8 418</b>	<b>-</b>	<b>8 418</b>
Net profit (loss) for the period	-	-	-	-	(7 219)	-	-	(7 219)	-	(7 219)
Allocation of prior year's net income	-	-	-	(9 646)	9 646	-	-	-	-	-
Issuance of common and preferred shares	100	5 934	-	-	-	-	-	6 034	-	6 034
Other changes	-	(8 872)	1	8 928	-	(56)	(29)	(28)	-	(28)
<b>Solde au 31 décembre 2020</b>	<b>2 812</b>	<b>18 688</b>	<b>19</b>	<b>(7 095)</b>	<b>(7 219)</b>	<b>-</b>	<b>-</b>	<b>7 205</b>	<b>-</b>	<b>7 205</b>

The accompanying notes form an integral part of these consolidated financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying Consolidated Financial Statements and notes, present the operations of Talentsoft S.A. and its subsidiaries.

Talentsoft S.A., parent and head of the Group, is a corporate venture under french law (Société Anonyme) and has its registered office located at 8 Rue Heyrault, 92100 Boulogne Billancourt.

In these notes, Talentsoft S.A. is referred to as the “Parent Company” and together with its subsidiaries, collectively, as “the Group”.

### Note 1 – General policies and use of estimates

#### *1.1 Basis for preparing the financial statements*

The Consolidated Financial Statements of the Company have been prepared in accordance with the CRC regulation n° 99-02 issued on June 22 1999, as updated by the regulations CRC 2005-10, CRC 2008-10 and subsequently by the regulations ANC 2010-03, 2015-07 and 2016-08 dated December 2<sup>nd</sup> 2016.

The consolidated financial statements have been prepared under the responsibility of Talentsoft S.A.’s Management, respecting the principle of prudence in accordance with the following main assumptions :

- Continued operations (going concern principle),
- Constant accounting methods,
- Independence of financial exercises,
- Measurement at historical cost.

The accounting policies used at 31 December 2020 are the same as those used to prepare the consolidated financial statements at 31 December 2019.

The Group’s consolidated financial statements and accompanying notes are presented in thousands of euros unless stated otherwise. Rounding to the nearest thousand euro may, in some cases, lead to non-material differences in totals and sub-totals in the tables.

The closing date of the Consolidated Financial Statements is December 31 of each year. Individual statements including these consolidated statements have been prepared at the closing date of the consolidated statements, i.e. December 31, and cover the twelve-month period then ended (excluding effect of business combinations).

## 1.2 Comparability of accounting periods

There are no changes impacting the comparability of accounting periods.

## 1.3 Consolidation methods

Entities in which the Group holds, whether directly or indirectly, 20% or more of the voting rights are included in the consolidation scope unless their impact on the group's financials is non-material.

- Entities over which the Group has control are fully consolidated. Generally the Group is presumed to have effective control over a subsidiary when it holds 50% or more of the voting rights.
- Entities over which the Group is equally sharing the control with other shareholder(s) are consolidated using the proportional consolidation method. Under this method, the subsidiary's assets and liabilities as well as its income and expenses are included in the consolidated financial statements in proportion to the percentage of equity interests held by the Group.
- Entities over which the Group has a significant influence but which do not fall into one of the two categories listed previously are consolidated under the equity method. Investments in companies accounted for under the equity method are initially recognised at the cost of acquisition, including any goodwill arising, and acquisition costs. Their carrying amount is then increased or decreased to recognise the Group's share of the entity's profits or losses after the acquisition date. Whenever losses are greater than the value of the Group's net investment in the equity-accounted company, those losses are not recognised unless the Group has entered into a commitment to recapitalise the company or provide it with funding.

The entities included in the consolidation scope are presented in the schedule below :

Company name	Country	31/12/2020			31/12/2019		
		Voting rights	Ownership interest	Consolidation method	Voting rights	Ownership interest	Consolidation method
Talensoft S.A.	France	100%	100%	Société mère	100%	100%	Société mère
Talentsoft GmbH	Germany	100%	100%	IG	100%	100%	IG
PeopleXS Holding B.V.	Netherlands	100%	100%	IG	100%	100%	IG
PeopleXS GmbH	Switzerland	100%	100%	IG	100%	100%	IG
PeopleXS Nordic APS	Denmark	100%	100%	IG	100%	100%	IG
* Talensoft Limited (1)	United Kingdom	100%	100%	IG	100%	100%	IG
Talensoft Swenden	Sweden	100%	100%	IG	100%	100%	IG
Edoceo Espagne	Spain	100%	100%	IG	100%	100%	IG
Talensoft Israel	Israel	100%	100%	IG	100%	100%	IG
Talensoft Canada	Canada	100%	100%	IG	100%	100%	IG
Talensoft Belgium	Belgium	100%	100%	IG	100%	100%	IG

IG : Fully consolidated

(1) : The UK subsidiary Talensoft Limited (registered number – 9941896) is exempted from the requirements of the Companies Act relating to the audit of individual accounts as allowed by the Companies Act S479A.

Crafty, acquired on June, 2020, merged into Talensoft S.A. as at December, 1st 2020.

#### *1.4 Translation of financial statements in foreign currency*

The Consolidated Financial Statements are presented in euros, which is also the functional currency of the parent Company Talentsoft S.A. The balance sheet of consolidated entities having a functional currency different from the euro are translated into euros at the closing exchange rate (spot exchange rate at the balance sheet date), and the income statement and statement of cash flows of such consolidated entities are translated at the daily exchange rate. The resulting translation adjustments are included in equity under the caption "Cumulative Translation Adjustment" in the consolidated balance sheet and statement of changes in equity.

#### *1.5 Preferred methods*

CRC 99-02 preferred methods that have been used in the preparation of the consolidated financial statements include :

- Capitalization of development costs
- Use of the stage of completion method for contracts in progress at end of period
- Recognition of unrealized exchange gains or losses directly in the income statement

On the other hand, the following preferred methods have not been used but only disclosed as Commitments and are not recognized :

- Restatement of finance leases ;
- Provision for retirement and other employee benefits.

#### *1.6 Use of estimates*

The preparation of the consolidated financial statements requires estimates to be used and assumptions to be made that affect the amounts reported and disclosed in these financial statements. Management bases its estimates on historical experience and on various other information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

The most significant areas that require management judgment and which are susceptible to possible change in the near term include :

- Intangibles and goodwill (measurement, useful lives, impairment tests assumptions) ;
- Revenue recognition as well as measurement of profit or losses on contracts in connection with the stage of completion method ;
- Trade receivables (allowance for doubtful receivables and determination of the recoverable amount) ;
- Measurement of provisions ;
- Deferred taxes.

## 1.7 Non-controlling interests

When the Group has control over an entity with less than 100% ownership, Non-Controlling Interests (NCI's) represents the portion of equity ownership not attributable to the parent company. Whenever Non-Controlling Interests of a subsidiary are negative, the corresponding losses are included in the equity attributable to the shareholders of Talentsoft S.A. , unless a commitment to recapitalize exists and involves the other shareholders.

## Note 2 – Significant events of the periods and changes in consolidation scope

### 2.1. Significant events

#### Health crisis - Covid-19

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation of the accounts for this fiscal year. This crisis and the exceptional measures taken within the framework of the state of health emergency induce multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainties on their future prospects. has nevertheless not been significantly impacted at this stage by the health situation in Europe.

The company has taken out a State guaranteed loan (PGE) in the amount of € 15,000,000 to cover its possible cash requirements.

#### Increase in capital

On January 27th 2020, the company's board approved the repayment of the 5 055 bonds redeemable in shares in 90.574 shares P6'.

As a consequence, an increase of 90 574 P6' shares in capital of 90 574 € and a share premium of 5 427 029 € have been realized.

Changes in capital during the financial year are disclosed below :

€	Number of capital instrument	Share capital	Premium	Total
Repayment of bonds redeemable	90 574	90 574	5 416 325	5 506 899
Acquisition of Crafty	3 740	3 740	396 440	400 180
Exercise of free shares	900	900	(900)	0
Exercise BSPCE	4 778	4 778	121 819	126 597
<b>Issuance of capital instruments</b>	<b>99 992</b>	<b>99 992</b>	<b>5 933 684</b>	<b>6 033 675</b>

*Crafty Acquisition – June 2020*

On June, 2020, Talensoft SA completed the acquisition of Crafty (France) and its subsidiaries (France) for a price of € 585 K :

- € 185 K in upfront cash;
- € 400 K in Talensoft shares.

The operation also includes a € 365 K earn-out clause to paid if conditions are respected on financial year 2021 (presence of directors).

Crafty is a company specialized in artificial intelligence.

## 2.2. Evolution of scope of consolidation

### Acquisitions

On June, 2020, the Group acquired Crafty.

### Fair value of the consideration transferred under the business combination

<i>(In thousands of euros)</i>	
Cash and cash equivalents	23
<b>Position nette de trésorerie acquise</b>	<b>23</b>
Total acquisition price	1 040
Paid in Talensoft shares	(400)
Earn-out not paid	(365)
<b>Flux de trésorerie sur l'acquisition</b>	<b>(252)</b>

### Goodwill

<i>(In thousands of euros)</i>	Purchase price allocation
Paid in cash and cash equivalent	185
Paid in Talensoft shares	400
Fees relating to acquisition	90
Earn-out	365
<b>Total acquisition price</b>	<b>1 040</b>
Fair value of assets acquired and liabilities assumed	143
<b>Goodwill</b>	<b>897</b>

### Juste valeur des actifs et passifs transférés

<i>(In thousands of euros)</i>	Fair value of assets acquired and liabilities assumed
Intangible assets	233
Tangible assets	2
Trade receivables	42
Other receivables and prepaid expenses	55
Cash and cash equivalents	23
<b>Total assets</b>	<b>355</b>
Borrowings and other financial liabilities	100
Trade payables	55
Other current liabilities	57
<b>Total liabilities</b>	<b>212</b>
<b>Fair value of assets acquired and liabilities assumed</b>	<b>143</b>

### Note 3 – Subsequent events

Nothing to report.

## Note 4 – Main balance sheet items

### 4.1 Goodwill

#### 4.1.1 Accounting policies

Goodwill is the excess of the cost of a business combination (including transaction costs) over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition, recognized on first consolidation.

Negative goodwill is recognized as a provision for risks and charges when corresponding to expected future losses; otherwise it is recognized directly in profit or loss in the year of acquisition.

When negative goodwill results from the measurement of an intangible, the valuation adjustment is limited accordingly.

Goodwill in fully consolidated subsidiaries is recognized in a separate line item of the fixed assets in the consolidated balance sheet.

Until December, 31th 2015, goodwill was amortized on a straight-line basis over a 10 years-period.

The Groupe discontinued the policy of amortizing goodwill since January 1st 2016 in accordance with ANC 2015-07 regulation.

Hereafter, goodwill is tested for impairment at least annually and whenever there is an indication that it may be impaired. Whenever goodwill is impaired, the difference between its carrying value and its recoverable amount is charged immediately to profit or loss. Identifiable assets acquired and liabilities assumed are recognized in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Depending on the Group's intentions, assets acquired and liabilities assumed are measured at their acquisition date fair market value (assets held for sale) or useful value (continued operations).

The objective of an impairment test is to compare the net book value of goodwill with its recoverable value, ie the higher of the difference between fair value less exit costs and the useful value being the expected discounted cash flows.

The recoverable value has been determined according to the value useful value. The Group has adopted a multi-criteria approach to determine the useful value based on the expected future discounted cash flows and a multiple of revenues expected in the business sector.

Discounted cash flows over five years have been forecasted with a perpetual growth rate of 2% and a WACC of 13%.

#### 4.1.2 Changes in the net book value of goodwill during the presented periods

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
<b>Net book value at beginning of period</b>	<b>15 977</b>	<b>15 977</b>
Goodwill recognized during the period	897	-
Goodwill amortization	-	-
Impairment losses	-	-
Other changes	-	-
Currency translation adjustments	-	-
<b>Net book value at end of period</b>	<b>16 874</b>	<b>15 977</b>
- Gross value	19 131	18 234
- Accumulated amortization and impairment losses	(2 257)	(2 257)

Goodwill items at December 31, 2020 were as presented in the schedule below :

<i>(In thousands of euros)</i>	31/12/2020		31/12/2019	
	GROSS VALUE	AMORTIZATION & IMPAIRMENT LOSSES	NET BOOK VALUE	NET BOOK VALUE
Rflex (2012)	2 932	(879)	2 053	2 053
PeopleXS (2014)	6 892	(1 378)	5 514	5 514
Edoceo (2015)	8 410	-	8 410	8 410
Crafty (2020)	897	-	897	-
<b>Total</b>	<b>19 131</b>	<b>(2 257)</b>	<b>16 874</b>	<b>15 977</b>

## 4.2 Intangible assets

### 4.2.1 Accounting policies

Intangible assets are accounted for at acquisition cost, less cumulative amortization and any impairment losses. They are primarily composed of software development costs that are capitalized in accordance with CRC 99-02 preferred method, with the following recognition criteria :

- The asset is clearly identifiable,
- Technical feasibility and future economic benefits are expected, based on reasonable assumptions,
- The cost of the asset can be reliably measured.

All other research and development costs that would not meet these criteria are expensed as incurred. Capitalized development costs are principally composed of people costs (payroll expenses and contractor fees). A 2,5% mark-up is then applied to the identified costs to take into account a portion of direct overheads

Intangible assets are amortized on a straight-line basis over their estimated useful lives (3 years for development costs). Intangible assets are reviewed for impairment whenever events or changes in circumstances dictate such as, but not limited to, significant declines in revenue, earnings or cash flows or material adverse changes in the business climate indicating that the carrying amount of an asset may be impaired.

#### 4.2.2 Changes in intangible assets during the period

<i>(In thousands of euros)</i>	LICENSES, PATENTS AND SIMILAR RIGHTS	DEVELOPMENT COSTS	TOTAL
<b>Gross book value</b>			
<b>01/01/2020</b>	<b>996</b>	<b>48 273</b>	<b>49 269</b>
Effect of other changes in scope	-	285	285
Acquisitions during the period	415	13 191	13 606
Disposals during the period	(399)	(92)	(491)
<b>31/12/2020</b>	<b>1 012</b>	<b>61 657</b>	<b>62 669</b>
<b>Depreciation and impairment losses</b>			
<b>01/01/2020</b>	<b>(606)</b>	<b>(30 016)</b>	<b>(30 622)</b>
Effect of other changes in scope	-	(52)	(52)
Depreciation expense for the period	(206)	(10 627)	(10 833)
Disposals for the period	399	92	491
<b>31/12/2020</b>	<b>(413)</b>	<b>(40 603)</b>	<b>(41 015)</b>
<b>Net book value</b>			
<b>01/01/2020</b>	<b>390</b>	<b>18 257</b>	<b>18 648</b>
<b>31/12/2020</b>	<b>600</b>	<b>21 054</b>	<b>21 654</b>

#### 4.3 Property, plant and equipment

##### 4.3.1 Accounting policies

Property, plant and equipment are accounted for at acquisition cost (excluding borrowing costs incurred to finance the acquisition) less cumulative depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the assets' estimated useful lives as follows:

- Fixtures and Fittings ..... 10 years
- Transportation vehicles ..... 4 years
- Furniture..... 3 to 7 years
- Office equipment ..... 3 to 4 years

The Group is not applying CRC 99-02 preferred method with respect to finance leases. Consequently assets acquired under finance leases are not recognized as fixed assets with the recognition of a corresponding financial liability but expensed as incurred and included in the operating result as a rental cost like an operating lease.

The gains and losses on disposal of assets are determined by comparing the selling price with the net book value of the disposed asset.

#### 4.3.2 Changes in Property, plant and equipment during the period

<i>(in thousands of euros)</i>	FIXTURE & FITTINGS	TRANSPORTATION VEHICLES	FURNITURE	IT Hardware	TOTAL
<b>Gross book value</b>					
<b>01/01/2020</b>	<b>2 094</b>	<b>22</b>	<b>415</b>	<b>1 563</b>	<b>4 093</b>
Effect of other changes in scope	-	-	8	-	8
Acquisitions during the period	311	1	28	329	869
Disposals during the period	(256)	(9)	(18)	(188)	(471)
Other movements during the period	2	-	27	(20)	9
Currency translation adjustments	-	-	(3)	-	(3)
<b>31/12/2020</b>	<b>2 351</b>	<b>14</b>	<b>457</b>	<b>1 684</b>	<b>4 506</b>
<b>Depreciation and impairment losses</b>					
<b>01/01/2020</b>	<b>(536)</b>	<b>(14)</b>	<b>(202)</b>	<b>(696)</b>	<b>(1 448)</b>
Effect of other changes in scope	-	-	(6)	-	(6)
Depreciation expense for the period	(376)	(1)	(65)	(423)	(865)
Disposals for the period	13	9	16	131	169
Other movements during the period	(6)	-	(3)	-	(9)
Currency translation adjustments	-	-	1	-	1
<b>31/12/2020</b>	<b>(905)</b>	<b>(6)</b>	<b>(259)</b>	<b>(988)</b>	<b>(2 158)</b>
<b>Net book value</b>					
<b>01/01/2020</b>	<b>1 558</b>	<b>8</b>	<b>213</b>	<b>867</b>	<b>2 645</b>
<b>31/12/2020</b>	<b>1 446</b>	<b>8</b>	<b>198</b>	<b>696</b>	<b>2 348</b>

#### 4.4 Financial fixed assets

##### 4.4.1 Accounting policies

Other financial fixed assets relate mainly to deposits in connection with property leases. Their recoverable amount is estimated whenever there is an indication that the asset may be impaired and at least at each reporting date. If the recoverable amount is lower than the carrying value, an impairment loss is recognized in the Consolidated Statement of Income.

#### 4.4.2 Changes in financial fixed assets during the period

	OTHER FINANCIAL FIXED ASSETS	OTHER INTANGIBLE
<i>(In thousands of euros)</i>		
<b>Gross book value</b>		
<b>01/01/2020</b>	2 054	2 054
Acquisitions during the period	103	103
Currency translation adjustments	(2)	(2)
<b>31/12/2020</b>	<b>2 155</b>	<b>2 155</b>
<b>Depreciation and impairment losses</b>		
<b>01/01/2020</b>	-	-
Impairment losses for the period	(50)	(50)
<b>31/12/2020</b>	-	-
<b>Net book value</b>	<b>(50)</b>	<b>(50)</b>
<b>01/01/2020</b>	<b>2 054</b>	<b>2 054</b>
<b>31/12/2020</b>	<b>2 106</b>	<b>2 106</b>

#### 4.5 Trade receivables

##### 4.5.1 Accounting policies

Trade accounts receivable are measured at their net realizable value. On a periodic basis, Management assesses accounts receivable and determines whether to provide an allowance or if any accounts should be written down and charged to expense as a bad debt. The assessment is based on the past history of collections, current credit conditions, the length of time the account is past due and the past history of write downs. A receivable is considered past due if payment has not been received according to agreed-upon terms.

At December 31, 2020, the value of trade receivables factored to the BPI was K€ 1 836.

In accordance with French GAAP (CRC 99.02), these receivables are no longer included in "trade accounts receivables" (see off balance sheet commitments note 6.1.).

##### 4.5.2 Changes in trade receivables

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
Accounts Receivable	37 196	36 474
Work in progress and invoices to be issued	10 324	5 342
<b>Trade receivables, gross value</b>	<b>47 521</b>	<b>41 816</b>
Allowances for doubtful accounts	(1 804)	(945)
<b>Trade receivables, net of allowances</b>	<b>45 717</b>	<b>40 871</b>

Due date of trade receivables (excluding doubtful trade receivables) are less than one year.

## 4.6 Other receivables and prepaid expenses

### 4.6.1 Breakdown of other receivables and prepaid expenses

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
Current income taxes receivable	13	47
Crédits d'impôts (CIR/CICE)	3 686	4 719
Other taxes receivable	994	1 225
Prepaid expenses	2 488	2 693
Trade accounts receivables	126	91
Préfinancement CIR/CICE	3 438	2 652
Other debtors	4	15
<b>Other receivables and prepaid expenses, gross value</b>	<b>10 749</b>	<b>11 442</b>
Allowances for doubtful receivables	-	-
<b>Other receivables and prepaid expenses, net of allowances</b>	<b>10 749</b>	<b>11 442</b>

## 4.7 Deferred taxes

### 4.7.1 Accounting policies

Deferred tax assets are recognized only if, based on projected taxable income Management determines that it is probable that future taxable profits will be available against which the unused tax losses, tax credits and temporary differences can be utilized.

The recoverability of assets is evaluated with future fiscal results as estimated by the Group, taking into account non-recurring expenses from the past and the history of prior year fiscal results.

The Group offsets deferred tax assets and deferred tax liabilities by fiscal entity.

### 4.7.2 Changes in deferred taxes

<i>(In thousands of euros)</i>	31/12/2019	Effect of business combinations	Change recognized in profit or loss	Other	31/12/2020
<b>Deferred tax assets (liabilities) on temporary differences</b>	<b>78</b>	<b>-</b>	<b>(81)</b>	<b>-</b>	<b>(4)</b>
- Total deferred tax assets on temporary differences	274	-	1	-	275
- less unrecognized portion of deferred taxes on temporary differences	(196)	-	(82)	-	(278)
<b>Deferred tax assets recognized on tax losses carryforwards</b>	<b>181</b>	<b>0</b>	<b>64</b>	<b>0</b>	<b>245</b>
- Total deferred tax assets on tax losses carryforwards	25 683	-	2 616	535	28 834
- less unrecognized portion of deferred taxes on tax losses	(25 502)	-	(2 552)	(535)	(28 589)
<b>Deferred tax assets</b>	<b>259</b>	<b>0</b>	<b>(17)</b>	<b>0</b>	<b>242</b>
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4.8 Cash and cash equivalents

### 4.8.1 Accounting policies

Cash includes cash on hand and demand deposits with banks. Cash equivalents include short-term, highly liquid deposits, for which the risk of changes in value is considered to be insignificant.

Cash equivalents are measured at their fair market value and changes are recognized in the consolidated statement of income.

### 4.8.2 Details and reconciliation of cash and cash equivalents with the statement of cash flows

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
Cash equivalents	2 001	11 512
Cash	20 421	7 382
<b>Cash and cash equivalents</b>	<b>22 422</b>	<b>18 894</b>
Bank overdrafts	(7)	0
<b>Net cash and cash equivalents</b>	<b>22 416</b>	<b>18 894</b>

## 4.9 Equity

### 4.9.1 Share capital

As of December 31, 2020, Talensoft's share capital is composed of

- 2 683 137 ordinary shares,
- 128 733 preferential shares.

During the period, 99 992 shares were issued (99 092 ordinary shares and 900 preferential shares).

### 4.9.2 Equity instruments

*(Number of potential shares entitled to equity instruments outstanding)*

	Number of equity instruments	Maximum number of ordinary shares
BSPCE/Stock Options (Employee warrants) (*)	476 127	476 127
BSA Ratchets 2013 (Non-employee warrants) (*)	53 333	529 789
BSA 2014 bis (Non-employee warrants) (*)	83 333	92 937
Preferential free shares (*)	27 670	276 700

*(\*) dont la totalité attribuée à fin 2020*

#### 4.9.3 Investment grants

Investment grants are disclosed in Equity attributable to shareholders.

The reversal of investment grants is done in the income statement over the same duration as the depreciation of the related assets that have been subject to this grant.

#### 4.9.4 Warrants – « Bons de Souscriptions d'Actions (BSA) »

Premium received as a result of the issuance of BSA during the period have been disclosed in Equity in the line « Others » because they are considered as non-refundable instruments and no payment is required in case of lack of profit.

### 4.10 Provisions for risks and charges

#### 4.10.1 Accounting policies

Provisions are recognized, if the following three conditions are met:

- the Company has a present obligation (legal or constructive) towards a third party that arises from an event prior to the closing date;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the obligation amount can be estimated reliably.

The « Non conversion-premium » relating to convertible bonds is accounted for in Financial provision for risks.

#### 4.10.2 Changes in provisions for risks and charges

<i>(In thousands of euros)</i>	Other provisions for risks & charges	Non conversion-premium	TOTAL
<b>01/01/2020</b>	<b>890</b>	<b>971</b>	<b>1 861</b>
Charges	694	430	1 124
Used reversals	(169)	-	(169)
Unused reversals	(735)	-	(735)
<b>31/12/2020</b>	<b>680</b>	<b>1 401</b>	<b>2 081</b>

## 4.11 Borrowings and other financial liabilities

### 4.11.1 Breakdown of borrowings and other financial liabilities

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Convertible Bonds	4 400	4 400
Bonds	3 000	3 000
Bonds redeemable in shares	0	5 487
Bank loans	17 940	3 528
Contingent loans	196	270
Other financial liabilities	3 363	6 868
Bank overdrafts	7	0
Borrowings accrued interests	13	13
<b>Borrowings and other financial liabilities</b>	<b>28 918</b>	<b>23 566</b>

« Other financial liabilities » include financing obtained from funding agencies based on multi-year contracts signed with several customers. Their financial cost is disclosed as « others » on note 5.5.1.

### 4.11.2 Maturity of financial liabilities

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>
<b>Convertible Bonds</b>	<b>4 400</b>	-	-	<b>4 400</b>
<b>Bonds</b>	<b>3 000</b>	-	<b>3 000</b>	-
<b>Bank loans</b>	<b>17 940</b>	<b>1 025</b>	<b>16 915</b>	<b>0</b>
- Société Générale (SG)	88	88	-	-
- Banque Publique d'Investissement (BPI)	2 800	900	1 900	-
- BNP	15 000	-	15 000	-
- Autres	52	37	15	-
<b>Other financial liabilities</b>	<b>3 362</b>	<b>2 697</b>	<b>665</b>	-
<b>Contingent loans</b>	<b>196</b>	<b>112</b>	<b>84</b>	-
<b>Bank overdrafts</b>	<b>7</b>	<b>7</b>	-	-
<b>Borrowings and other financial liabilities</b>	<b>28 905</b>	<b>3 841</b>	<b>20 664</b>	<b>4 400</b>

#### 4.11.3 Changes in borrowings and other financial liabilities

<i>(in thousands of euros)</i>	31/12/2019	Proceeds from borrowings	Repayments of borrowings	Variation	Reclassifications	Effect of other changes in scope	31/12/2020
Convertible Bonds	4 400	-	-	-	-	-	4 400
Bonds	3 000	-	-	-	-	-	3 000
Bonds redeemable in shares	5 487	-	-	-	(5 487)	-	-
Bank loans	3 528	15 000	(688)	-	-	100	17 940
Contingent loans	270	-	(75)	-	-	-	196
Other financial liabilities	6 868	-	-	(3 506)	-	-	3 362
Bank overdrafts	-	-	-	7	-	-	7
Accrued interest not yet due	13	-	-	26	(26)	-	13
<b>Borrowings and other financial liabilities</b>	<b>23 566</b>	<b>15 000</b>	<b>(763)</b>	<b>(3 474)</b>	<b>(5 513)</b>	<b>100</b>	<b>28 918</b>

#### 4.12 Other current liabilities

##### 4.12.1 Breakdown of other current liabilities

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
Current income taxes payable	232	221
Other taxes payable	7 351	5 126
Employee-related payable	10 169	8 363
Deferred income	55 910	51 061
Amounts due related to the acquisition of subsidiaries	365	-
Other liabilities	157	153
<b>Other current liabilities</b>	<b>74 184</b>	<b>64 924</b>

##### 4.12.2 Change in deferred income

<i>(in thousands of euros)</i>	31/12/2019	Change	31/12/2020
<b>Deferred Income relating to the French Research Tax Credit (C.I.R.)</b>	<b>3 924</b>	<b>(45)</b>	<b>3 879</b>
- CIR 2017	341	(341)	0
- CIR 2018	1 035	(690)	345
- CIR 2019	2 548	(1 019)	1 529
- CIR 2020	0	2 005	2 005
<b>Deferred Income relating to subscription services</b>	<b>47 138</b>	<b>3 831</b>	<b>52 031</b>
<b>Total deferred income</b>	<b>51 062</b>	<b>3 786</b>	<b>55 910</b>

## Note 5 – Main consolidated income statement items

### 5.1 Revenue

#### 5.1.1 Accounting policies

The Group generates revenue primarily from two natures of services :

- Subscription and hosting services

The Group is a SaaS provider company, selling its customizable hosted software to its customers in the form of subscription contracts with a duration usually comprised between 36 and 60 months. The corresponding revenue is recognized *prorata temporis* on a straight-line basis.

- Consulting and assistance services

In addition, the Group also provides software implementation services (including consulting, training and assistance services). Revenue from these contracts is recognized using the stage of completion method, recommended by the CRC 99-02 regulation. If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including, if needs be, any rights to additional revenue or claims if these are probable and can be reliably estimated.

#### 5.1.2 Revenue by nature of services

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>%</b>	<b>31/12/2019</b>	<b>%</b>
Subscription and hosting	61 972	82%	53 233	75%
Services	13 504	18%	17 995	25%
<b>Total revenue</b>	<b>75 476</b>	<b>100%</b>	<b>71 228</b>	<b>100%</b>

### 5.1.3 Revenue by geographical areas

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>%</b>	<b>31/12/2019</b>	<b>%</b>
France	55 635	74%	53 909	76%
Benelux	5 644	7%	5 258	7%
Denmark	4 701	6%	3 978	6%
Switzerland/Germany	6 910	9%	6 158	9%
Other	2 586	3%	1 925	3%
<b>Total revenue</b>	<b>75 476</b>	<b>100%</b>	<b>71 228</b>	<b>100%</b>

## 5.2 Other operating income

### 5.2.1 Accounting policies

Other operating income is primarily composed of :

- Capitalization of R&D expenses (*please refer to note 3.2.1*).
- French Research Tax Credit, Crédit d'Impôt Recherche (the "CIR"). The CIR is a French tax incentive to stimulate research and development ("R&D"). Generally, the CIR is deducted from the income tax to be paid and the portion not deducted (if any) is refunded at the end of a three year fiscal period. The CIR is calculated based on the declared volume of eligible R&D expenditure by the Group. The portion of CIR corresponding to capitalized R&D expenses is recognized as operating income in accordance with the intangible amortization rate.
- Reversal of investment grants.

### 5.2.2 Breakdown of operating income

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Capitalization of R&D expenses	13 111	13 075
French Research Tax Credit	3 246	3 411
Other	494	336
<b>Other operating income</b>	<b>16 851</b>	<b>16 822</b>
<i>(*) Reversal of investment grants</i>	29	117

## 5.3 Supplies and external expenses

### 5.3.1 Breakdown of supplies and expenses

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Procurement and supplies	(193)	(192)
Direct subcontracting	(16 383)	(19 357)
Office rents	(2 845)	(2 897)
Other rental expenses	(1 094)	(1 091)
IT costs	(1 752)	(1 905)
Professional fees	(1 940)	(1 674)
Marketing & promotion expenses	(2 569)	(4 268)
Travel expenses	(787)	(2 361)
Other external expenses	(4 220)	(2 631)
<b>Procurement and other external expenses</b>	<b>(31 783)</b>	<b>(36 376)</b>

## 5.4 Personnel expenses

### 5.4.1 Breakdown of personnel expenses

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Wages and salaries	(39 758)	(36 777)
Social contributions	(12 933)	(12 115)
<b>Personnel expenses</b>	<b>(52 691)</b>	<b>(48 892)</b>
<i>Average headcount</i>	<i>587</i>	<i>591</i>

## 5.5 Financial income and expense

### 5.5.1 Breakdown of financial income and expense

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Interest expense	(472)	(733)
Foreign exchange gains (losses)	(156)	(37)
Accrued "non-conversion premium"	(480)	(414)
Other	(160)	(176)
<b>Financial income and expenses</b>	<b>(1 268)</b>	<b>(1 360)</b>

## 5.6 Non-recurring income and expense

### 5.6.1 Accounting policies

The Group classifies as non-recurring income and expenses, all items that do not relate to recurring operations.

### 5.6.2 Breakdown of non-recurring income and expense

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Gain (loss) on sales of assets	(8)	174
Allowances and reversals of provisions	(261)	(64)
Other	8	(289)
<b>Non recurring income</b>	<b>(261)</b>	<b>(179)</b>

## 5.7 Income taxes

### 5.7.1 Breakdown of income tax expense

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Current income taxes</b>	<b>(62)</b>	<b>(59)</b>
- France	0	0
- International	(62)	(59)
<b>Net change in deferred taxes</b>	<b>(19)</b>	<b>(125)</b>
- France	0	0
- International	(19)	(125)
<b>Income taxes</b>	<b>(81)</b>	<b>(184)</b>

## 5.7.2 Tax proof

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
<b>Profit before Income taxes</b>	<b>(7 138)</b>	<b>(9 464)</b>
Nominal income tax rate of the parent company	28,00%	28,00%
<b>Theoretical income tax expense</b>	<b>1 999</b>	<b>2 650</b>
<b>Reconciling items</b>		
- Effect of the French Tax Credit	879	935
- Effect of tax losses and other temporary differences that	(2 863)	(3 533)
- Effect of tax losses and other temporary differences that have not been recognized during the period	6	8
- Effect of other permanent differences	(65)	(48)
- Effect of local tax rate	48	(91)
- Others Effect	(85)	(105)
<b>Income tax expense recognized</b>	<b>(81)</b>	<b>(184)</b>
<b>- Effective income tax rate</b>	<b>-1,14%</b>	<b>-1,94%</b>

Considering the losses of the current period and the accumulated losses, the deferred taxes on Talentsoft SA' reporting deficit have not been activated

## Note 6 – Commitments and other information

### 6.1 Commitments

<i>(In thousands of euros)</i>	31/12/2020	31/12/2019
Pledging of Business	3 930	4 630
Counter-guarantee on bank security (BNP)	13 500	-
Finance leases future minimum payments	610	171
Provision for retirement and other employee benefits (1)	1 018	665
Prefinanced "CIR" and "CICE"	8 272	4 689
Trade receivables factored to BPI	1 836	914

(1) Assumptions for the provision for retirement and other employee benefits calculation : Discount rate of 0,34 % as at 31/12/2020 and 0,77% as at 31/12/2019 , employers cost rate of 46 %; turnover included between 0 % and 50 % depending on age ; Retirement age of 65 years.

### 6.2 Related parties

The compensation of Talensoft executive officers is not disclosed in this document as it will indirectly lead to disclosing individual information.

### 6.3 Auditors fees

<i>(In thousands of euros)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>
Statutory audit and certification of accounts	130	120
Other diligences	-	-
<b>Total</b>	<b>130</b>	<b>120</b>

# TALENTSOFT

Société Anonyme

8, rue Heyrault

92100 Boulogne-Billancourt

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## Statutory auditor's report on the consolidated financial statements

For the year ended 31 December 2020

*This is a translation into English of the statutory auditor's report on the financial statements of the company TALENTSOFT S.A issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

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5, rue Catulle Mendès  
75017 Paris

Deloitte & Associés  
6, place de la Pyramide  
92908 Paris-La Défense Cedex

# TALENTSOFT

Société Anonyme

8, rue Heyrault

92100 Boulogne-Billancourt

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## Statutory auditor's report on the consolidated financial statements

For the year ended 31 December 2020

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To the Annual General Meeting of TALENTSOFT,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of TALENTSOFT for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

### Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report.

## Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2020 to the date of our report.

## Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### *Goodwill*

The 4.1 note of the consolidated financial statements described the accounting principles and policies related to the goodwill. As part of our assessment of the accounting policies followed by your company, we have verified the appropriateness of the accounting policies and the information provided in the consolidated financial statement.

### *Intangible assets*

The 4.2 note of the consolidated financial statements described the accounting principles and policies related to the Intangible Assets. As part of our assessment of the accounting policies followed by your company, we have verified the appropriateness of the accounting policies and the information provided in the consolidated financial statement.

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

Under the law, we inform you that the non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is not included in the management report of the group and that the independent third party appointed by the company has not implemented its due diligence procedures to date.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

### **Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- *Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation*
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris et Paris-La Défense, March 17th, 2021

The Statutory Auditor's

***French original signed by***

Yuma Audit

Deloitte & Associés

Laurent HALFON

Benjamin HADDAD