

**NEURONES**

Forward together...®



### Thank you...

... to staff members who kindly allowed us to take photos of them at work for inclusion in this annual report. This document focuses solely on the nearly 5,600 stakeholders behind the Group's achievements in 2020 - though of course only a very small proportion of them appear in its pages.

## Contents

Overview of 2020	2	<b>CORE BUSINESSES</b>	16	<b>RESPONSIBLE AND SUSTAINABLE DEVELOPMENT</b>	36
<b>NEURONES IN 2020</b>	6	A comprehensive line of digital services	17	A socially responsible Group	37
Chairman's message	7	Infrastructure services	18	A committed company	38
Key figures	10	Application Services	22		
Shareholder information	12	Industrialized service centers	26	<b>2020 UNIVERSAL REGISTRATION DOCUMENT AND FINANCIAL REPORT</b>	44
Line of services and strategy	14	Consulting	28		
		References and achievements	32		



## 35 YEARS OF PROFITABLE GROWTH

With 5,600 employees and revenues of €525 million, NEURONES has worked its way up the French market to be one of the top 10 market capitalizations of companies in the Consulting and Digital Services sectors (including companies mainly involved in Technology Consulting).

Created from scratch in 1985 and listed since 2000, the Group has:

- achieved sustained, profitable growth for 35 years,
- formed a proven, solid core, mostly through organic development,
- joined forces with a dozen companies with complementary core businesses through external growth,
- recorded average annual growth rate of 8% over the last 10 years.

NEURONES has grounded its enduring success on a continually tailored line of services, currently focused on "digital transformation", along with a dynamic human resources policy and a novel organization of shareholder-entrepreneurs.



€525m

2020  
REVENUES



9.9%

2020  
OPERATING PROFIT



5,600

STAFF  
AT 12/31/2020

# Overview of 2020

## #infrastructures

### Intelligence service

The user support specialist has unveiled its new "4Business" service based on functional business expertise and collective intelligence. It guarantees the intervention of support at the cutting edge of business applications (finance, HR, etc.) and the sharing of knowledge on incidents encountered and solutions provided.

## #group

### Talents!

Consultant, Engineer, Architect, Project manager, Developer, Product owner, Scrum master, UX/UI designer, Data scientist, Analyst, Administrator, Technician, Salesman, Pre-salesman, Account manager, Manager, Entrepreneur, etc. Nearly 1,700 new talents joined the Group's workforce in 2020, placing it among the top 30 French recruiters in the digital sector (all sectors combined). Applicants are more than welcome to visit [www.neurones.net](http://www.neurones.net) and browse the "Job opportunities" or "Unsolicited application" sections.

## #infrastructures

### Welcome to the club



The cybersecurity specialist entity has joined the very select CESIN (Club des Experts de la Sécurité de l'Information et du Numérique / Club of Information and Digital Security Experts), providing it with increased opportunities for exchanges and sharing with its peers, with the objective of an ever more advanced understanding of risks and intelligence on threats.

## #applications

### The validating label

The Group's expert IT training company has obtained the SecNumedu-F label for its IT security courses. Valid for three years and issued by Anssi, this qualification guarantees the high level of teaching in cybersecurity.



## #consulting

### Great Place to Work

The Group's Management Consulting unit has been ranked eighth in the 2020 list of "Best Workplaces" in France by the Great Place to Work® Institute. This award was given in the midst of a lockdown, during which convivial moments of exchange around coaching, relaxation or even... philosophy had been set up!



## #infrastructures

### Simple cloud

Recognizing the increasing complexity of Cloud projects for many of their clients, the experts in Cloud Transformation and Managed Services have put in place a new comprehensive service to support clients, from opportunity assessment, through profitability analysis, to migration.

## #applications

### Fitness program

The second lockdown gave ideas to the entities expert in Document Management and the Digital workplace. Each entity organized online sports sessions, accessible to employees and their families: between gym and HIIT (High Intensity Interval Training), a great idea to let off steam, while preserving the health of others.



## #applications

## Agile offices

The experts in Digitalization and robotization of processes propose an innovative solution designed to meet new needs generated by the health crisis: Easy Office® lets clients manage access to premises, invite visitors, manage rooms and reservations, and even prevent potential contamination!

## #consulting

## A better world

For the fourth consecutive year, the Management Consulting specialist raised its Communication for Progress (CoP) to the GC Advanced level, the highest level awarded by the Global Compact network (of the United Nations), thereby respecting the twenty-one criteria of social responsibility.

## #applications

## 10 days to succeed

The Group's ERP company continues its journey towards S/4 Hana excellence by achieving "SAP 10steps2s4" certification (by practicing a conversion from a SAP ERP 6.0 system to S/4 Hana in just ten days).



## #infrastructures

## Cyber-boss



The Cybersecurity team wins the virtual challenge "Boss of the Soc Emea" at the world-wide level! Competing with 273 other teams from 40 different countries, it climbed to first place on the podium by being the most efficient in resolving different types of situations and finding appropriate responses to more than 90 incidents.

## #applications

## Formerly machina

The Group's experts in document management are launching their RPA-as-a-service as part of packaged solutions. Based on the observation that Robotic Process Automation was still inaccessible for many companies, the service gives access to already configured use cases, on a price per use basis.

## #infrastructures

## ISO everywhere

The structure specialized in user support confirms its expert status and obtains several certifications: ISO 27001 on all its service desk activities in France, as well as the initial ISO 9001 certification received in Romania, Tunisia and France on Quality Management Systems.



## #group

## Strength through unity

The Group continues its development and welcomes a new recognized player specialized in digital transformation. Its core expertise is the support of IT departments in the digitalization and robotization of processes.

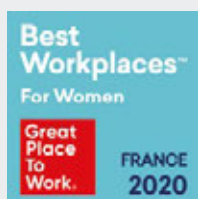
## #infrastructures

## Forza Italia!

To satisfy a world leader in luxury goods, who wanted to rely on a solid partner and benefit from the same quality of service on both sides of the Alps, the specialist in user support acquired its local colleague in Milan, who was already working for the same client.

## #consulting

## Equality



The Group's Management Consulting experts were included in the Great Place to Work® "Best Workplaces For Women" list (along with 16 other companies). With more than 50% of its governance provided by women, this entity is an indisputable model of professional equality between women and men.

## #infrastructures

## On the podium



The Group's IT production business won a significant award distinguishing its inventiveness at the 2020 HR Creativity Grand Prix: third place, which honors its "Team Spirit" video project nominated in the "Change Management" category.

## #infrastructures

## A haute-couture certification

Experts in user support have created an innovative certification that validates the know-how of excellent IT service. Developed in partnership with a specialist in the luxury and "VIP" relationships sector, it guarantees a service that meets the expectations of the most demanding customers.



## #applications

## Neural Connections



New comprehensive IoT solution launched by the digital and mobility specialist. Named Axones®, it offers a range of connected devices and related services: geolocation of a person or a product in a given space, remote data collection, all in real time, etc.

## #infrastructures

## In the box

Once again this year, the employees of the leader in user support showed great generosity by participating, during the end-of-year festivities, in the "Shoe Boxes" operation, in partnership with the HelpAssos association, whose objective is to fill shoe boxes placed in the premises with donations of non-perishable products to help the homeless.

## #applications

## S-Happy

For the second year in a row, SAP experts have been awarded the "Happy At Work" label by ChooseMyCompany, a survey that praises a local management policy, the accessibility of management teams and the quality of the work environment.

## #infrastructures

## Disabled or not disabled?

On the occasion of the week dedicated to disability, the entity dedicated to user support, as well as the one expert in infrastructure and cloud management, offered their employees awareness-raising activities, applicable in both personal and professional life. On the program: serious game on disability, role playing and interviews on best practices.

## #infrastructures

## Health!



In order to offer ever more high value-added services, the infrastructure and Cloud Management specialist continued to strengthen its security and compliance capabilities by obtaining the HDH (Health Data Hosting) version 1.1 certification. issued by Afnor.

## #group

## Digital engine

The NEURONES Group is consolidating its role in its leading market, by ranking among the top 10 companies contributing to digital transformation in France in 2020, according to the FrenchWeb organization.

## #infrastructures

## Supportable

How do you report an incident to IT support simply, in a few clicks, from your cell phone? You can now do so with MyConnectedApp®, the application created and configured specifically for each company by the user path experts.



## #infrastructures

## Head in the clouds

The Cloud entity intensifies its partnership with Amazon Web Services and earns the prized status of Select Partner. This new step confirms an indisputable know-how, while guaranteeing a better working environment for clients' employees.



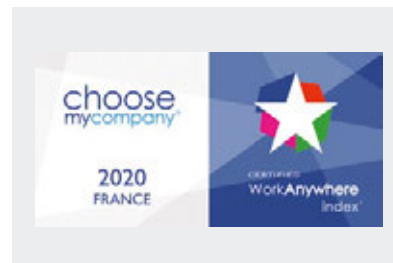
## #applications

## Full sentimental

The entity that is an expert in document management now offers a service that can analyze the emotional aspect of emails! Thanks to a SaaS platform of emotional intelligence, loyalty can now be increased via the analysis of the history of the exchanges carried out by email throughout a relationship. Eventually, it will be possible to establish a real emotional map for each client!

## #applications

## Place to be



For the fourth year in a row, the document management specialist was awarded the “Happy At Work” label, in recognition of an inspiring environment, encouraged professional development and employee motivation through stimulating management. The icing on the cake is the “WorkAnywhere” award, which highlights the companies that are most successful in teleworking.

## #infrastructures

## Welcome on board!

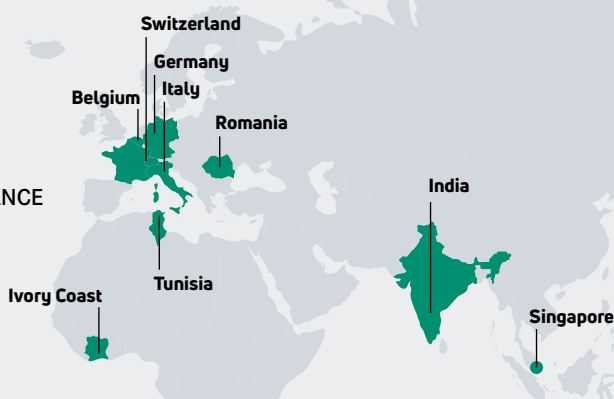
The expert in IT production engineering continues to support digital transformation by welcoming a new entity, specialized in project management and Information System management.

## #group

## International presence

> 750

TEAM MEMBERS  
OUTSIDE OF FRANCE  
AT 12/31/2020





# NEURONES IN 2020

- 7** Chairman's message
- 10** Key figures
- 12** Shareholder information
- 14** Line of services and strategy





# Chairman's message

Who would have believed it?

In mid-March 2020, you really had to be a seer to imagine the consequences of the new “black swan”, this time in the health sector...At the time, more than one person was clinging to his or her bearings and fundamentals to imagine the future, beyond the thick fog of an unprecedented context.

Even the most experienced entrepreneurs did not expect the big countries' plunge into the “artificial coma”, with the desertion of cities and the closing of offices.

Many probably told themselves “the worst is never certain” but, deep down, still expected to have the worst year in their history, with a frustrating setback in 2020.

And yet...

The level of *cash* is becoming too substantial:

- the small acquisitions made in 2020 did not significantly reduce its amount;
- consequently, your Board of Directors proposed to distribute a limited share (€48.4 million) of the available cash accumulated since the Group's founding (€263.3 million),
- the remaining cash will be used for acquisitions that create value and are preferably of significant size.

Regarding the rate of *return on capital employed*, it:

- reached its best level in more than 20 years,
- exceeded last year's (30%), and
- is improving, thanks to the reduction in working capital requirements (see table on page 57).

So is everything going well? No, fortunately there is room for improvement...

## 1 – The 2020 numbers

... your company experienced during this fiscal year:

- organic growth (+ 2.6%),
- profitability close to its records (operating profit of 9.9%),
- a significant increase in free cash flow (+ 55.2 M€),
- a sharp increase in cash (+€48.1 million),
- a return on capital employed to its best level (34%).

In detail, here is how these achievements can be put into perspective.

The *organic growth*:

- remains unmatched (even if modest) among the 20 or so counterparts listed in Paris,
- remains much higher than that (- 4.2%) of the Consulting and Digital Services market,
- is disproportionate to the fall (-8.3%) in GDP in France (the Group's main market),
- continues an uninterrupted series for 35 years.

The *operating profit*:

- is, among other things, an illustration of the value created for clients;
- the 9.9% compares with 9.6% (excluding exceptional capital gains) in the previous year;
- this figure falls within the range (8.9% to 10.5%) of the previous 10 years;
- has been maintained by the Public Authorities' action allowing companies to keep all their skills.

The generation of free *cash-flow* was very good:

- compare the €55.2 million to the net income (€35 million);
- the previous year's level was already high (€47 million) and also higher than the net income;
- the credit for this new improvement in accounts receivable is due above all to the commitment of the NEURONES financial teams.

« There is no elevator to success, there are only stairs. »

For example, the shareholders, co-owners of NEURONES, deserve to be informed that:

- in the long-term venture that constitutes the life of a company, even if it is enviable not to have gone backwards in 2020, it is not very satisfying to have made so little progress, especially given the Group's still modest size (just 1.5% of the French market);
- the scarcity of qualified professionals persisted during the year, which slowed down business, even if the retraining programs initiated by the NEURONES training subsidiary attenuated this structural shortage;
- a significant discrepancy persists between your company's ambitions and investment opportunities offering a minimum of advantages: growth, profitability, cultural compatibility and succession management. Is this too much to ask? We may remember that “volume is vanity, margin is sanity...” the situation is hardly comfortable and time is running out...;
- in these service businesses, there is still a chronic shortage of successors to continue the construction of COOs who would like to withdraw. And yet, only a few qualities are needed: autonomy, entrepreneurial spirit, empathy, common sense and the desire to prove...

## 2 - Behind the numbers...

The collective achievements quantified above deserve, even more so this year, recognition for everyone who designed, organized, sold, carried out and accompanied NEURONES services in a difficult context.

The first thanks go to the entrepreneurs and shareholder-directors (about forty) whose mission is to constantly place their company in the right place, with the right service and at the right time. In 2020 they have managed to continue to courageously write a story despite the heightened uncertainty. The solidity of the Group has also perhaps afforded a serene context to continue:

- looking ahead to anticipate client needs;
- seeking out the key men and women that the best naturally surround themselves with;
- setting in motion new human dynamics, the basis for success in service companies;
- leading the people they inspire in the competition;
- expressing with determination their original thought, after having enriched it with other truths;
- spreading their energy and sharing their vision;
- catching the promising waves, sniffing out and pragmatically testing new processes;
- pointing out to their managers the next “mountains to conquer”.

« Volume is vanity,  
margin is sanity. »

These managers are sometimes referred to as “servant leaders” by Anglo-Saxons (i.e. at the service of their team, which is itself at the service of clients). Close to these clients, they have a good point of view and the legitimacy to actively contribute to the efficiency of the service provided.

Their role is to:

- collect opinions to broaden the field of possibilities;
- ask the teams what resources they need;
- distribute objectives and let them adapt to the changing realities in the field;
- empower their employees so they find solutions on their own;
- organize and reorganize to meet clients’ expectations;
- help each person to grow and support their career paths;
- choose and prepare their successors so they themselves can be moved upwards;
- remind each member of their team of a reality that is sometimes forgotten: “There are no elevators to success, only stairs”.

Finally, all employees also deserve a long round of applause and encouragement. In particular the youngest (30% are younger than 29 years old and half are younger than 35) and those who arrived during the year (nearly 1700!). All of them were naturally destabilized by the health interlude that arrived in mid-March

2020: the social life in the office is obviously richer than video exchanges and sometimes the solitude of home.

Managers and executives are doubly grateful for their:

- unfailing commitment to serving clients (those who pay us every month!);
- responsiveness and adaptation when the work environment was disrupted at the beginning of the year;
- sense of initiative in the face of adversity which, in more favorable circumstances, might not have blossomed;
- production on a daily basis, knowing that the person doing the work is well placed to know what the clients need;
- confidence in a Group that favors internal promotion and the long term,
- collective mindset which, once again this year, has led to the awarding of enviable labels (“Great Place to Work”, “Happy at Work”, “Best Workplaces for Women”, etc.),
- sharing personal and professional passions in the internal media and social networks or for their personal stories on pages 41 to 43 of this document,
- global contribution, which helps NEURONES progress, gain market share and consolidate its reputation.

And, to accompany everyone’s professional life, it is always good to remember the well-known advice: “Love what you do and you will succeed”.

## 3 - A promising outlook

In 2020 Digital Services Companies’ role has grown by facilitating the economy’s “switch” towards widespread teleworking. The anchoring, partly sustainable, of this new model is now focusing attention on cloud infrastructures, the reinforcement of cybersecurity, the improvement of digital spaces (“digital workplace”), the accompaniment of this new work organization and Consulting to accelerate digitalization. Your Group has strong positions in all these areas.

Beyond this accelerated and unpredictable change, we understand intuitively that:

- most of the companies that, before March 2020, had bet the most on digital transformation, will be those that will have weathered the health crisis best;
- “digital intensity” will remain a determining factor in competitiveness;
- the continuous emergence of new technologies, which are making short work of each other, continues to modify uses and constantly opens up new avenues; and
- IT environments are becoming increasingly complex to manage. The development of multicloud, microservices, containers, etc. is making it increasingly difficult for major clients to operate their information systems and is forcing them to increasingly rely on third parties.

And we can even see that the Digital Services sector is self-sustaining: for example, the fourfold increase in the amount of data every six years requires ever more specialists in:

- the cloud (increasingly public and hybrid) to host applications and a growing mass of data, more critical than the previous ones;



- edge computing (see glossary) to preserve bandwidth, relieve servers and increase response times;
- “data” to find relevant information, even in unstructured data, wherever it is found, in any application or terminal; and
- Artificial Intelligence to “make this data talk” (i.e., to extract value from it and feed marketing strategies in real time).

## « Love what you do and you will succeed. »

The ground is certainly fertile. It requires more and more professionals in consulting and digital services for sustained long-term development. In this buoyant environment, NEURONES has a model that is easy to understand, competitive, original and predictable, with an alignment of interests with the shareholders:

- specialization by activity, freeing up energies in autonomous a human-scale companies, enabling multiple approaches to the market and freeing the entrepreneurial spirit;
- alignment of interests with shareholders, since managers and key executives also make decisions thinking about the money they have invested in their work tool;
- diversity, which allows for a variety of cultures and ways to access the many market segments, with limited risk-taking;
- relative immunity, as we have seen in 2020, to the vagaries of the economy: the cumulative growth of intermediate-sized subsidiaries is less affected than that of a centralized group of equivalent size;
- agility and quicker adaptation to circumstances and opportunities to develop new services by providing the right skills to the right prospect at the right time;
- resourcefulness to move from a division with a limited budget to one that has to accelerate its digital transformation “whatever it takes” within the same client;

- a legitimate feeling of being in control of one’s own process and professional future, far from the crushing fatality of centralized organizations;
- natural welcome for new start-ups or specialized companies (three in 2020), which naturally find their autonomous place; and
- efficiency and profitability, corollaries of limited reporting levels. Thus wasted energy, loss of communication and dilution of responsibilities are reduced, as the NEURONES operating profit regularly proves.

In the first months of 2021, the persistence of the pandemic has not yet cleared the business horizon, but in the background, the movement to transform economies has accelerated, with increased penetration of digital and new technologies in all layers of business and society.

Is it because of these almost unlimited prospects or to acknowledge the better than expected results? In any case, at the beginning of 2021, the capitalization of your company has been propelled to its best historical level (more than €700 million).

To confirm to shareholders that they have put their trust in the right place, by adopting its managers’ long-term outlook, your Board of Directors has proposed a tenfold increase in the dividend (€2 per share, just for 2020!). It is now aiming for a tenfold increase in net profit, compared to the year of the IPO. It is therefore more than ever the time to roll up our sleeves to go, as the Group’s motto suggests, “Forward together...®”!



Luc de CHAMMARD  
Chairman and CEO

## KEY SHAREHOLDER-DIRECTORS

From left to right. First row:  
Bertrand DUCURTIL and Luc de CHAMMARD.

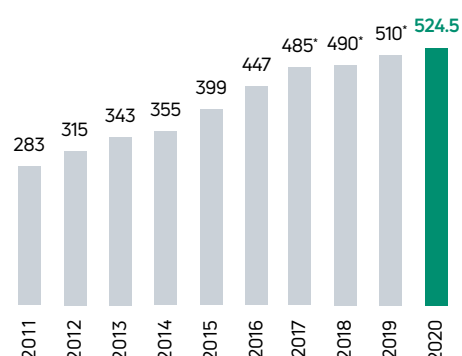
Second row: Franck DUBRAY, Elsa CUISINIER, Jean-Pierre LAFONT, Jean-François HALLOUËT, Bernard LEWIS, Vincent GRZECZKOWICZ and Guillaume BLANCHETIÈRE.

Third row: Cyrille BARTHÉLÉMY, Alain LE BRAS, Christopher BAILEY, Joseph KHOURI, Charles BLANCHOT, Jérôme PEREZ, Stéphane RAILLARD, Jérôme LEHMANN, Jean VELUT, Olivier LE BAILLY and Jérôme BELZACKI.

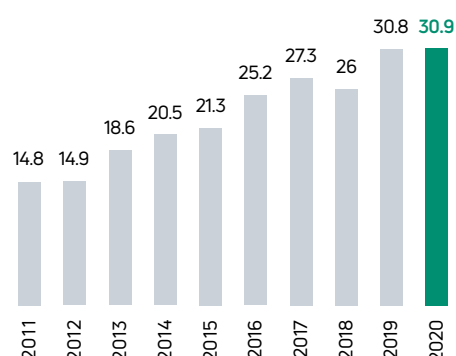


# Key figures

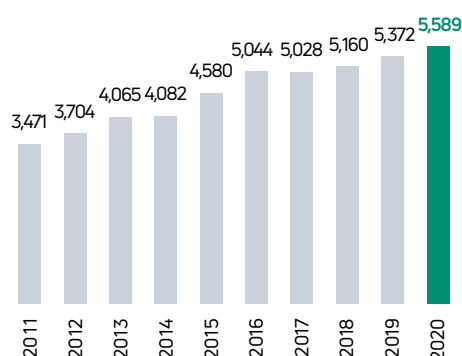
## CONSOLIDATED REVENUES (in millions of euros)



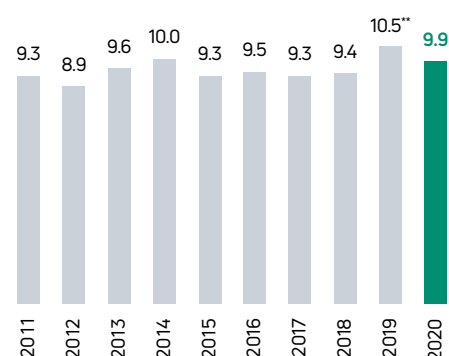
## NET PROFIT – GROUP SHARE (in millions of euros)



## STAFF (year-end)



## OPERATING PROFIT (as %)



\* Changes in the scope of consolidation (€23 million of revenues sold) and accounting method IFRS 15 (€10 million of revenues less from 2018).

\*\* 9.6% excluding capital gains on disposals.



**+2.6%**

ORGANIC GROWTH  
OF REVENUES IN 2020



**+8.1%**

COMPOUND ANNUAL GROWTH RATE  
OVER 10 YEARS (2011-2020)



## CONSOLIDATED INCOME STATEMENT (in millions of euros)

	2019	2020
Revenues	510.1	524.5
<b>Business operating profit*</b>	<b>54.7</b>	<b>53.9</b>
<b>% of Revenues</b>	<b>10.7%</b>	<b>10.3%</b>
<b>Operating profit**</b>	<b>53.7</b>	<b>51.9</b>
<b>% of Revenues</b>	<b>10.5%</b>	<b>9.9%</b>
Net financial profit	0.1	1.7
Tax on earnings	(18.6)	(18.6)
<b>Net profit for the year</b>	<b>35.2</b>	<b>35</b>
<b>% of Revenues</b>	<b>6.9%</b>	<b>6.7%</b>
- of which net profit – Group share	30.8	30.9
- of which minority interests	4.4	4.1

\* Prior to cost of bonus shares and impairment of assets.

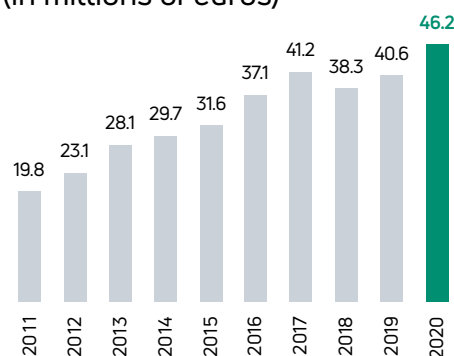
\*\* Including capital gain on disposal of €4.6 million in 2019.

## SIMPLIFIED CASH FLOW STATEMENT (in millions of euros)

	2019	2020
Net profit	35.2	35
Non-monetary items*	5.4	11.2
Changes in WCR (increase)/decrease	14.2	16.4
Net capital expenditures	(7.8)	(7.4)
<b>Free cash flow</b>	<b>47</b>	<b>55.2</b>
Net financial investments	(6.4)	(1.8)
Net capital increase and disposal of securities	6	(0.4)
Other (dividends, etc.)	(2.8)	(4.9)
<b>Change in cash and cash equivalents</b>	<b>+43.8</b>	<b>+48.1</b>
<b>Cash and cash equivalents at year-end</b>	<b>218.4</b>	<b>266.5</b>

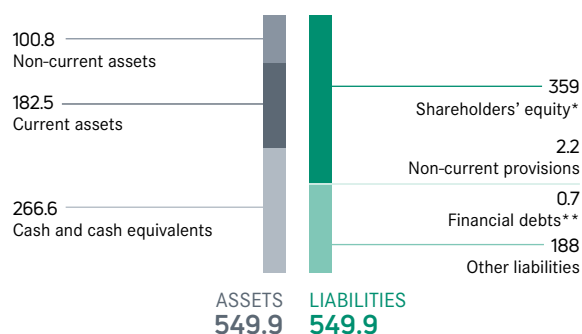
\* Including effects of IFRS 16.

## CASH FLOW FROM OPERATING ACTIVITIES\* (in millions of euros)



\* Net profit + non-monetary items (essentially net allocations to amortization, depreciation and provisions).

## CONSOLIDATED BALANCE SHEET AT 12/31/2020 (in millions of euros)



\* Including minorities: 36.4.

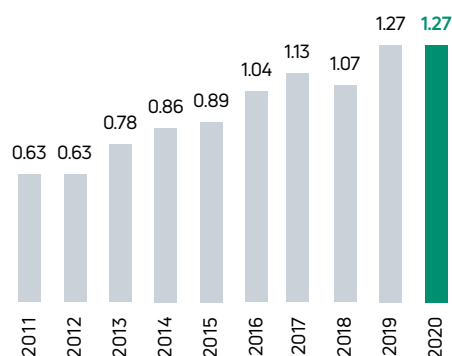
\*\* Short-term and long-term financial liabilities, including overdrafts: 0.1.

**10.3%**  
2020  
OPERATING MARGIN

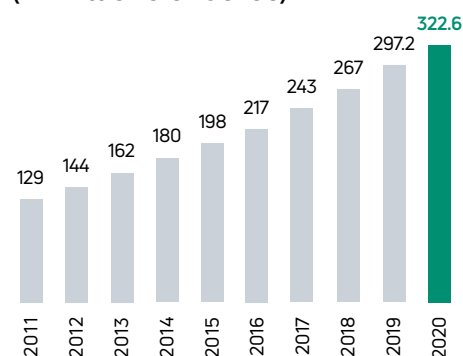
**€265.9m**  
NET CASH  
AT 12/31/2020

# Shareholder information

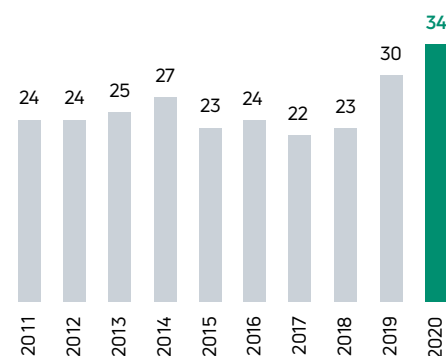
NET PROFIT – GROUP SHARE  
BY SHARE (in euros)



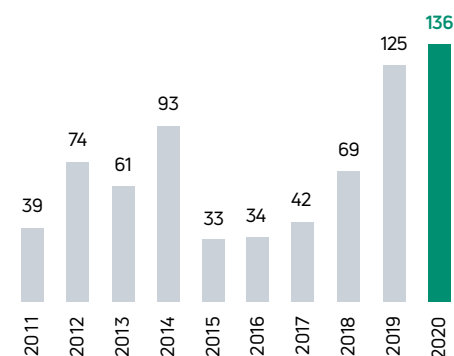
CONSOLIDATED SHAREHOLDERS'  
EQUITY GROUP SHARE  
(in millions of euros)



RETURN ON CAPITAL EMPLOYED \*  
(as %)



CASH CONVERSION RATE  
(as %)



\* Operating profit after deduction of corporate tax  
(calculated at the rate in force) divided by capital employed  
(goodwill + fixed assets + working capital requirement).



## 34%

RETURN ON CAPITAL EMPLOYED  
IN 2020



## €2

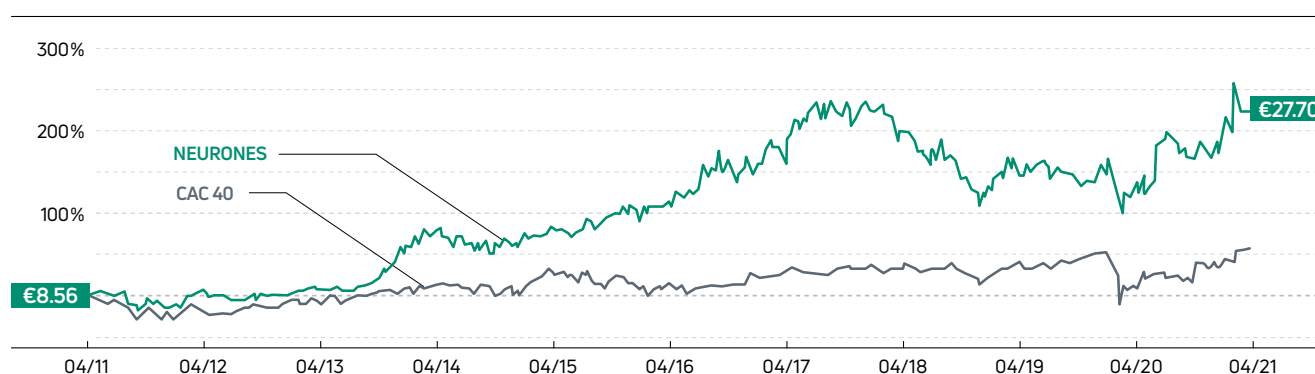
PER SHARE DIVIDEND PROPOSED AT THE  
SHAREHOLDER'S MEETING ON JUNE 3, 2021



## CHANGES IN STOCK MARKET INDICATORS OVER THE PAST 10 YEARS (share price, capitalization, number of shares)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Highest price (in euros)	9.10	9.20	13.58	16.00	18.35	24.70	29.80	29.00	23.30	26.00
Lowest price (in euros)	6.85	6.95	8.30	12.30	13.50	16.25	21.50	18.20	18.30	16.95
Closing price at December 31 (in euros)	7.30	8.33	12.59	13.86	17.41	22.36	28.80	18.90	20.60	23.40
Market capitalization at December 31 (in € millions)	172	198	302	332	422	542	698	459	500	567
Number of shares at December 31 (in millions)	23.6	23.8	23.9	23.9	24.2	24.2	24.2	24.3	24.3	24.2

## CHANGES IN NEURONES' SHARE PRICE OVER THE PAST 10 YEARS (from April 20, 2011 to April 20, 2021)



## INVESTOR RELATIONS

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## CALENDAR

### Shareholders' Meeting:

Thursday June 3, 2021 (in camera).

### 2<sup>nd</sup> quarter revenues:

Tuesday, August 3, 2021\*

### 1<sup>st</sup> half profit:

September 8, 2021\*

### 3<sup>rd</sup> quarter revenues:

November 3, 2021\*

\* Published after close of trading.

## SHAREHOLDING (breakdown of capital)

Founder, managers and employees	71%
French institutional shareholders	14%
Non-French institutional shareholders	12%
Private investors	3%

## NEURONES SHARE (data sheet)

Share price*	€27.70
Market capitalization*	€671m
Number of shares*	24,217,716
Average daily volume traded in 2020	16,600 shares

**Indexes:** Euronext Paris (Compartment B - NRO)  
Euronext Tech 40 - SRD medium values

\* At April 20, 2021. \*\* Euronext, Multilateral Trading Facilities (MTF) and OTC platforms.

# Line of services and strategy

The Group continuously adapts its Consulting and Digital Services to clients' issues and builds an entrepreneurial project with partner managers and executives in order to build sustainable and profitable growth for all stakeholders.



## 60%

SHARE OF GUARANTEED-PERFORMANCE  
SERVICE CONTRACTS  
IN TOTAL BUSINESS VOLUME

## AT THE HEART OF DIGITAL TRANSFORMATION

Digital transformation is a major stake and area of investment for businesses and public organizations. It is only natural, then, that today it is the focus of the Group's activities. They are designed for projects that leverage digital technology to:

- design or rethink service lines,
- digitize the “client journey” (mobile apps, UX/UI, “mobile first” sites, digital marketing, etc.)
- use connected devices and big data to leverage data (analytics, business intelligence),
- improve operational and support processes (BPM, ESB, dematerialization, RPA, etc.),
- integrate Artificial Intelligence (AI), which is giving rise to fresh hopes and prospects: “chatbots” for support processes and smart automations to more effectively anticipate security incidents or problems with IT operations.

NEURONES also supports IT departments undertaking major multi-year programs to migrate part of their applications to public, hybrid or private clouds. To optimize time-to-market, it has also become necessary to radically shake up their organization and work in DevOps mode to release a virtually continuous string of new app versions. This means smaller, tightly-knit teams handling a group of apps from A to Z (“you build it, you run it”), agile and Kanban methods, integrated development environments, software factories, continuous deployment toolchains, infrastructure automation, etc.

Alongside the new digital apps, they also need to continue maintaining their legacy apps with the earlier organization (engineering, integration and operation).

## AN UNWAVERING STRATEGY

### Strategic policy directions

- expand our presence with corporate clients by helping them leverage new digital technologies;
- maintain the entrepreneurial spirit of specialized entities in their field of business;
- broaden the range of services, in particular those related to digital transformation;
- industrialize everything that can be and adapt the Group's organization and cost structure to the market.

## THE DIGITAL TRANSFORMATION “BUILDING BLOCKS” OFFERED BY NEURONES



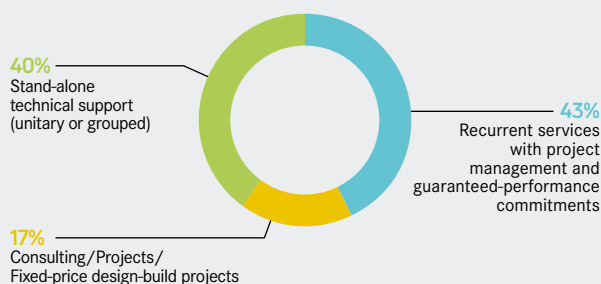
### Resources

- above-market organic growth, occasionally bolstered by acquisitions;
- expand the presence in and outside of France (client needs, available consultants, new markets, etc.);
- invest independently of the economic climate (€266 million of available cash, no debt);
- continue to apply a decentralized model, close to clients and employees.

### Core principles

- focus on profitability (an indicator of client satisfaction) rather than size alone;
- align managers' and shareholders' capitalist interests;
- open up the capital to managers to build the long term;
- keep the fundamental business processes under quality assurance.

## BREAKDOWN OF 2020 REVENUES BY TYPE OF SERVICE



## WORKFORCE BREAKDOWN 2020 BY GEOGRAPHIC ZONE





# CORE BUSINESSES

**17** A comprehensive line of digital services

**18** Infrastructure services

**22** Application Services

**26** Industrialized service centers

**28** Consulting

**32** References and achievements



# A comprehensive line of digital services

Digital transformation feeds into all of NEURONES' core businesses, underpinning both Consulting and Digital Services. The specialized line-of-business entities, which combine Consulting services and the Integration of state-of-the-art technological solutions, are divided into three segments:



## INFRASTRUCTURE SERVICES

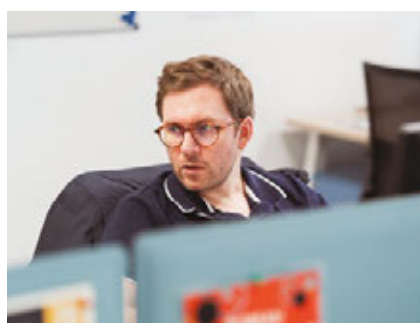


THIS SEGMENT'S SHARE  
IN TOTAL REVENUES

Public and private clouds, DevOps  
Cybersecurity  
User support, digital workplace  
IT service management,  
infrastructure automation



## APPLICATION SERVICES

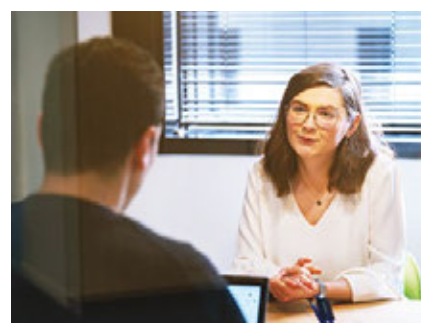


THIS SEGMENT'S SHARE  
IN TOTAL REVENUES

Digital, Agile, UX/UI, mobility, data, IoT  
SAP  
BPM, ECM, EDM, RPA, dematerialization,  
archiving  
Market finance  
IT training



## CONSULTING



THIS SEGMENT'S SHARE  
IN TOTAL REVENUES

Management, organization  
and digital transformation consulting  
Digital marketing consulting

### CLIENT RELATIONSHIP MANAGEMENT WITH SELECTED KEY ACCOUNTS

To support the various line of business sales forces, this team fulfills the following assignments:

- organize and coordinate sales actions
- identify new business opportunities,
- consolidate completed projects and assignments,
- prepare reports for key accounts.

### COORDINATION OF MAJOR GLOBAL CONTRACTS

Duties include:

- organizing multi-entity proposals with selection of a lead entity,
- coordinating cross-functional contracts during the handover, operation and reversibility phases,
- capitalizing on experiences and regularly updating the Group's standards.

# Infrastructure services

This segment, with a staff of 4,400 employees, is responsible for ensuring that IT infrastructures have maximum up-time and secure access. It also manages them, makes them profitable and upgrades them.



**€358.5m**

REVENUES GENERATED BY THIS  
SEGMENT IN 2020, REPRESENTING  
**69%** OF TOTAL BUSINESS



**9.8%**

2020  
OPERATING MARGIN



**4,400**

EMPLOYEES IN THE  
INFRASTRUCTURE SERVICES  
SEGMENT AT DECEMBER 31, 2020



## CORE BUSINESSES

- Public, private, hybrid clouds, DevOps,
- Cybersecurity
- User support, digital workplace
- IT service management, infrastructure automation

## TYPICAL PROJECTS

- Migration to the public cloud
- Set up and manage private clouds and containers
- Managed infrastructure services
- Implement tools and automate production
- Workstation management
- Information systems security (including SOC, CERT, Threat Intelligence)
- Continuous Integration and Continuous Delivery
- Infrastructure automation: cloud management platforms, SDN, SDDC


## DESIGN/BUILD

As private, public and hybrid cloud computing gradually enter the mainstream, along with new DevOps-type organizations, infrastructure management is becoming increasingly automated. Migration projects to the public cloud take a long time (more than a year), while cybersecurity issues have never been so crucial. The infrastructures also support legacy applications that have accumulated over time. With very open information systems and multiple terminals, user support, which is still vital, is also undergoing major innovations (RPA, “App” for service technicians, predictive analysis, self-help, chatbots, etc.). The Group carries out major transformation projects, as well as one-off interventions, in various fields. The majority of these are fixed-price projects.

## MANAGED SERVICES

The Group provides recurring services around infrastructures located in both public and private clouds, as well as for applications located in container mode. It also manages groups of on-site servers and provides support for installed bases (of all sizes) of workstations and other terminals (user support and local interventions). Managed services (formerly partially known as “Outsourcing”) are a mode of intervention characterized by a multi-year contract (3 to 5 years), under which NEURONES provides project management and guaranteed service levels. For each contract, the service delivery manager ensures ongoing

### THIS SEGMENT'S DIGITAL TRANSFORMATION RELATED OPERATIONS



Public, private, hybrid and multi-cloud computing, containers



CI/CD, infrastructure automation and DevOps



Cybersecurity



Mobility and the digital workplace

compliance and manages the improvement plan based on a benchmark and a catalog of standard operations. In this line of business, it is crucial to continuously capitalize on knowledge and best practices. The Group has set up standard processes for all of its contracts, applying tried-and-tested ITIL practices. The drive to industrialize these services is reflected in a growing proportion of operations performed through service centers.

## IN 2020...

Strong growth in cybersecurity (+55%), infrastructure automation and IT Service Management (ServiceNow) as well as in public cloud with significant «go to cloud» projects in duration and load.

Good resilience in infrastructure activities in general, some projects and technical assistance assignments postponed.

Amplification of the trend towards new businesses (public cloud, infra as code, devops, cybersecurity, etc.).

## OUTLOOK...

Cybersecurity is a core business segment.

Strong growth in public cloud (build and run), containers, DevOps, and infrastructure automation.

Start of FinOps services in public cloud. The private cloud retains strengths.

The move to teleworking is more systematic (especially for service center employees).

# Cyberattacks: 2020, the year of all dangers

With the growing digital transformation of the economic fabric, information systems are becoming ever more essential cogs in the operation of businesses, but remain just as vulnerable. Faced with the surge in cyberattacks, NEURONES teams are more in demand than ever.

## Cyberattacks are in the news today. How can this phenomenon be explained?

The number of cyberattacks identified in France by the ANSSI (National Agency for Information Systems Security) in 2020 is two to three times greater than in 2019. Most of them are external intrusions using ransomware that blocks an information system. To explain this increase, we must first put it in a general context: the increasing digitalization of companies and organizations. Digital technology enables the creation of new interfaces with clients and partners, placing them at the heart of processes. We are entering a dimension where IT is much more than a support for business activities: it creates value in the business itself.

There are two consequences of this. The first is that when information systems take on an increasingly prominent role in an organization's operations, they become essential to it running smoothly. The second is that these interfaces open a multitude of doors to the outside world, and this logically makes information systems more vulnerable to intrusions.

## How do intrusions occur?

There are two vectors of infection and propagation. Intruders can use entry points to the information system (web portals, external platforms, VPN, etc.). The second is a human vector. They use the lack of knowledge of IT risks among employees through classic phishing techniques: it only takes one click to penetrate an information system. The art of the hacker is then to move gradually, taking care not to be identified, in order

to position his ransomware in the places that block the infrastructure.

## Why did 2020 mark an acceleration in attacks?

The 2020 spike was primarily due to the extremely rapid and massive shift to teleworking in businesses. This has made information systems more fragile and increased their exposure to risk. In addition, malicious actors have found that attacks are profitable. The more companies and organizations under attack agree to pay ransom, the more cybercriminals are encouraged to develop their countermeasures and have the means to make them more effective! We see a real professionalization and industrialization of attacks.

## What are the means to protect against them?

At NEURONES, we are able to take into account the different types of risks and act at all levels of an organization. The method involves anticipation, detection and response. Upstream, users and teams are made aware by reminding them of the best practices to avoid attacks. Risks are analyzed and penetration tests are performed to simulate scenarios and estimate the permeability of the information system. To detect and counter malicious behavior, the teams monitor in real-time. This is called a SOC, or Security Operations Center.

At the same time, "cyber threat intelligence" is used, which consists of providing intelligence on attackers and identifying malicious events on the Web that could target the company: domain name theft, data leakage, fraud, attack methods, etc. Finally, the Group has solutions that

automate responses in the event of detection, while teams of forensic experts and crisis management consultants intervene in the event of an attack.

## And tomorrow, how do we maintain control against the professionalization of attacks?

First of all, it is important to know that cybersecurity actors work together on a worldwide scale to share their information. NEURONES is a partner of the largest international networks. On the client side, everything goes through risk management and analysis of the most likely vulnerabilities, in order to anticipate the types of malicious acts. Clients are encouraged to consider their entire security situation, ensuring the consistency and interoperability of the various technological components of their system. In addition, we are developing new technological solutions that use automation and Artificial Intelligence, in particular to compensate for the lack of human resources.

## Precisely, on the team side, how do you arm yourself to fight?

Companies are having trouble recruiting and don't have enough qualified resources. In a market as promising as cybersecurity, we need to be able to offer a real career path to consultants. Because, beyond recruitment, there is the question of management. The profession attracts highly technical profiles and NEURONES has a reputation for excellence. This makes it possible to offer teams a highly motivating work environment with advancement potential. Talent is the sinews of war!

## How do you see the near future: will the rise in attacks continue?

2021 is proving that the attacks are continuing to rise, thankfully at a slower pace. There is still a huge amount of work to be done to evangelize and make companies aware of the risks. It will still take years for them to reach true maturity on cybersecurity issues. The growth potential of our activities is therefore considerable.

A full-page photograph of a man, Aymeric, standing in a modern office lounge. He is wearing a dark blue blazer over a light blue and white striped shirt, dark trousers, and brown shoes. He is smiling and has his hands in his pockets. The background features large windows, a potted plant, and modern furniture including a white armchair and a yellow armchair. The floor is covered with a patterned rug.

**AYMERIC,**  
*Business Manager  
(Cybersecurity)*

« WE ARE ABLE TO  
TAKE INTO ACCOUNT  
THE DIFFERENT TYPES  
OF RISKS AND ACT  
AT ALL LEVELS OF AN  
ORGANIZATION. »



## Application Services

Backed by more than 20 years of experience in application projects, this business line with 1,000 employees is committed to helping our clients in the successive improvements in their information systems and digital transformations.



# €137.7m

REVENUES GENERATED BY THIS  
SEGMENT IN 2020, REPRESENTING  
**26% OF TOTAL BUSINESS**



# 9.8%

2020  
OPERATING MARGIN



# 1,000

EMPLOYEES IN THE  
APPLICATION SERVICES SEGMENT  
AT DECEMBER 31, 2020

## CORE BUSINESS

- Digital, Agile, UX / UI, mobility, data and IoT
- SAP
- BPM, ECM, EDM, RPA, dematerialization, archiving
- Market finance
- IT training

## TYPICAL PROJECTS

- Digital projects: design and implementation
- Development of mobile applications, IoT projects
- Provision of “feature teams” working in Agile and DevOps mode
- SAP: integration and deployment of new modules and applications (including Fiori)
- Big Data projects in Finance
- Communication and training plans to support the deployment of major software packages (ERP, etc.)

## DESIGN/BUILD

NEURONES is active in both software package integration (ERP, CRM, ECM/BPM, GED) and custom application development (including: mobile applications, Web projects etc.).

Several teams work daily in DevOps mode. Emphasis is placed on the initial phases of functional analysis and the methodology of project development (standard documentation, software engineering, standards, etc.).

## MANAGED SERVICES

This service line includes support, Third-Party Application Management (TPAM) and Third-Party Operations Maintenance (TPOM) The 50 or so contracts cover batches of several applications, interfaces or even entire application asset bases.

The TPAM centers for SAP, BPM/EDM applications and web developments use common tools and methods. Some of the teams are assigned to combined infrastructure and application maintenance contracts.

Training includes the “user support” component, in particular during ERP deployments

### THIS SEGMENT'S DIGITAL TRANSFORMATION RELATED OPERATIONS



Complex applications with BPM, Enterprise Service Bus (ESB) and Robotic Process Automation (RPA)



Connected devices (IoT, including industrial plant): models, implementation and operation



Design and roll-out of big data architectures (Hadoop, Hbase)



“Mobile first” websites and mobile development



Agile methodologies (Scrum, Kanban, etc.)



Implementation of DevOps chains (IDE, software forges, deployment orchestrators)

## IN 2020...

Strong growth in UX/UI (+19%), good rebound in SAP (+12%).

Acquisition of a small company specialized in digital.

Decline in on-site finance assignments (-7%) and training activities (-5%), despite the boom in online courses.

## OUTLOOK...

Continued strong development of digital, in design as well as in implementation, testing and deployment.

Brisk business in SAP thanks to the switch to S/4Hana (migrations expected in 2021).

Promising outlook in the rebuilding of existing apps to make them “cloud and DevOps-compatible”.

A man with short brown hair and a light beard, wearing a dark blue turtleneck sweater and dark trousers, is sitting on a black and wood bench. He is looking directly at the camera with a slight smile. His hands are clasped in his lap. He is wearing black leather boots. To his right is a teal planter box with green grass. The background shows a modern office interior with glass partitions and a blue wall with a geometric design.

**PIERRE,**  
*Co-founder*  
*(UX/UI, Product management)*

« AGILE METHODS INVOLVE THE COMPANY'S VARIOUS FUNCTIONS IN THE FORWARD-THINKING PROCESS, TO DEFINE THE PURPOSE OF THE "PRODUCT" AND ACHIEVE THE BEST POSSIBLE USER EXPERIENCE. »



IT, marketing, sales, and human resources: the user experience, whether related to the consumer, employee or applicant, has become the Holy Grail for companies. This transformation puts UX/UI specialists in the spotlight and, above all, deeply modifies how digital projects are designed and managed.

# UX/UI: how user experience is revolutionizing digital projects?

## What is behind the rise of user experience?

The digital projects of the 2020s are pursuing a common goal: place the client at the center. The rise of UX and UI (i.e., user experience and user interface specialists), reflects the maturity of digital. Historically focused on technological advances and the possibilities offered by the growing capabilities of information systems, applications have gradually become more integrated in the information systems they were intended for. E-commerce paved the way: companies understood in the early 2010s that the more the user experience was intuitive, fast and easy, the more sales would increase. That's why, over the last ten years, the Product Designer, combining these UX/UI expertise, has taken on an essential role.

## What does the UX/UI approach bring to digital projects?

It's not just about involving designers in the design of tools. Being "user centric" implies a deep transformation of collaboration modes, to adopt an Agile method that allows co-design and the involvement of all stakeholders. It is therefore essential to break free from organizations' traditional silo-based operations, which results in systems that reflect the complexity of

internal structures. Let's take the example of SNCF. Until now, when a user wanted to buy a train ticket, he had three different tools at his disposal, with varying degrees of performance and fluidity, set up over the years by different entities of the company. Three applications for a single user need! We are now working on a complete overhaul of these systems to merge them into one.

## How are these "user centric" projects carried out?

In concrete terms, NEURONES is increasingly involved at the front-end of projects. We use Agile methods that involve the company's various functions in the thinking process to define the purpose of the product and achieve the best possible user experience. This implies a cross-functional organization scheme, which offers an iterative work framework, making it possible to accelerate, readjust and involve all the players involved.

The design team is composed of consultants who gather the needs, analyze them and propose appropriate solutions. The project manager (Product Owner) knows the strategic issues and is responsible for ensuring that the "product" satisfies the objective. The Product Designer (or UX/UI) is responsible for designing a website

or mobile application that makes users' lives easier, simplifies the purchasing process or improves employee productivity. To do this, he uses collaborative methods, like "design thinking", which makes it possible to involve different contributors, from the company's general management to the end user. Finally, the Scrum Master ensures that the project progresses in Agile mode and leads the technical development team. This way of working not only allows us to produce applications that are better suited to the uses, but also to go much faster.

## Doesn't this speed of a project's design and development process also guarantee its adaptation to users' needs?

Indeed, with the acceleration of consumer trends and technological advances, it is essential to drastically reduce the "time to market". Where it used to take a year and a half to bring a complex digital project to fruition, today we only have a few months. And, above all, it has become impossible to work from specifications set in stone, and to carry out the entire design and production process before facing the market. The great strength of the Agile method and UX/UI is that it operates based on "sprints" lasting a few weeks: short design, development and test cycles, implemented for each functionality of a site or application. It is also a way to be part of a process of continuously upgrading a "product", favored today by key accounts and digital "pure players", such as Shine, Payfit, Doctolib, etc.

## Faced with the need to maintain social distancing with their clients and employees, 2020 marked the acceleration of the digital migration of companies. What is its impact on project design?

Indeed, we have seen an increase in requests over the past year, and especially the emergence of projects that are key in companies' strategy. Digital developments, whether BtoC or BtoE (Business to Employees), have become a priority because they play a central role in organizations' adaptation to new constraints and in the transformation of business models. In this context, NEURONES' expertise and its ability to carry out truly user-centered projects within very tight deadlines are more relevant than ever.

# Industrialized service centers

Since 1995, recurring infrastructure-related service contracts have been based on shared service centers (hosting, servers and applications, workstation management and support). Third-party Application Maintenance is performed from dedicated centers.



16

SERVICE CENTERS  
DEDICATED TO INFRASTRUCTURE  
SERVICES



400

MANAGED SERVICE CONTRACTS  
FOR INFRASTRUCTURE  
AND CYBERSECURITY



5

SERVICE CENTERS DEDICATED  
TO APPLICATIONS

## MANAGED INFRASTRUCTURE SERVICES



8

### SERVICE DESKS

- 1,450 professionals
  - 24h/7
  - Multilingual
- Nanterre, Angers, Frankfurt, Lille, Lyon, Nantes, Tunis and Timisoara

7

### SERVICE CENTERS FOR SERVERS AND APPLICATIONS

- 550 specialists
- Supervision, management
- Scheduling, operations plan
  - Release management
- Nanterre, Courbevoie, Lyon, Tours, Bangalore, Singapore and Tunis

1

### POOLED DIGITAL WORKPLACE CENTER

- 15 people
- Mastering, packaging
- Remote software distribution
  - Patching, antivirus
  - Nanterre

10

### HOSTING CENTERS

- 13,000 virtual machines (VM)
- Independent Internet service provider
  - All telecom operators
  - Failover telecom infrastructure
- 5 highly-certified (Tier 3+) partner hosting companies (multi-centers)

5

### THIRD-PARTY APPLICATION MAINTENANCE CENTERS

- All ERP and applications
- Knowledge base, test tools, versioning
- Nanterre, Angers, Levallois, Nantes and Orléans



ISO 27001  
Managed services  
from infrastructure  
service centers



PASSI Certification  
by ANSSI



CERT certification of  
the Security Operations Center  
Founding member



Health Data Hosting Certification  
for an infrastructure  
services entity



## Consulting

Managed by consultants with previous experience in major international firms, this business segment with a staff of 175 consultants provides consulting services in management and organization, digital transformation and digital marketing.



€28.3m

REVENUES GENERATED BY THIS  
SEGMENT IN 2020, REPRESENTING  
5% OF TOTAL BUSINESS



12%

2020  
OPERATING MARGIN



175

EMPLOYEES IN THE  
CONSULTING SEGMENT  
AT DECEMBER 31, 2020

## CORE BUSINESSES

- Management and organization consulting
- Digital transformation consulting
- Digital marketing consulting

## TYPICAL PROJECTS

- Assess strategic options, propose scenarios
- Provide guidance and support for the provision of digital technologies for core businesses
- Support the governance of digital transformation programs, provide coordination
- Provide leadership and operational management for projects
- Impact studies on regulatory and technology changes
- Define strategies for pooling IT systems

NEURONES supports complex projects for groups or organizations currently engaged in transformation, in order to help them incorporate new regulations and digital technologies, and generally become more efficient and effective.

The Group makes a point of building knowledge from the methods and expertise developed through more than 1,000 assignments supporting business strategy and decision-making. Over the years, the business segment has developed expertise in the following areas:

- defining transformation plans,
- cross-functional communication and consensus-building between teams,
- strategic alignment,
- assessing resources and defining the scope of activities,
- defining new leadership models,
- coaching management boards,
- analyzing impacts and change management,
- digital marketing.

Digital transformation consulting concerns all sectors, in depth, and has become a specialty in its own right, along with digital marketing.

Consulting services are provided to the operational or functional divisions of corporate accounts. Projects sometimes include a component that requires expertise in information systems.

## THIS SEGMENT'S DIGITAL TRANSFORMATION RELATED OPERATIONS



Design and facilitation  
of innovation labs



Data science  
and data visualization



Management  
of Data Management Platforms'  
marketing data



Modeling of multi-channel  
client journeys



Connected sales  
outlets

## IN 2020...

Good resilience (+ 2.2%) in a year of economic recession.

Expansion and adaptation of service lines to the crisis (continuity plan, new working and management methods, operational performance, etc.).

Development of partnerships to conquer new territories.

## OUTLOOK...

Continue the diversification of accounts and sectors.

Accompany the post-health crisis challenges (energy transition, risk management, teleworking, search for meaning, etc.).

Strengthen partners' ecosystems to increase resilience.

# Organization of work: inventing the world after

By imposing the distancing of teams, health measures are drawing the contours of a new, more mobile work organization, prompting companies more than ever to adopt new property strategies. NEURONES has made the transformation of work environments one of its areas of expertise.

## Has the pandemic revolutionized the organization of work or, rather, given a boost to an underlying trend?

For five or six years, well before the health crisis, the gradual transformation of the organization of work had taken on a new tempo. The massive shift to teleworking has shaved a few years off an already well-established process of reinventing office space. As an illustration, 80% of CAC 40 companies were experimenting or deploying mobile working or “flex-office” before 2020 (i.e., the principle of unallocated office space). The traditional model is being replaced by the “activity-based office”, which consists in adapting premises to employees’ new uses.

## To what needs does this transformation respond?

For companies, the first objective, sometimes unofficial, is financial. It is important to know that “flex-office” generates very significant savings. In the Greater Paris region, there were previously 1.2 workstations per employee on average. After the transformation, the figure has dropped to 0.8 workstations, or even 0.5 at Microsoft’s Paris headquarters, for example. When you consider that a workstation costs around €10,000 per year, you can see that the potential for cost reduction is considerable. The second lever is clearly the transformation of working methods. For example, “knowledge workers” need interaction. And this is all the more true in sectors where innovation is key. New design models are creating a greater variety of spaces that are more collaborative and informal,

conducive to employee interaction and well-being.

## What has the pandemic crisis changed?

A considerable number of companies are embarking on property development projects that they never imagined before the crisis. Faced with the urgency, the psychological barriers have fallen. Teleworking now concerns jobs that were thought to be incompatible, especially for IT security reasons. Infrastructures have been strengthened and employees have become more autonomous. This raises new challenges: we now see the need to support and even equip managers to help them organize their activities in these new environments. How do you manage a hybrid team, divided between remote and in-person work, maintain an informal link with each employee and integrate new employees?

## The premises are barren and yet the companies are functioning. We can ask ourselves the question: what are offices for ?

The real question is: what will they be used for tomorrow? The new office space will have two functions in my opinion. The most obvious one will be to allow physical meetings and networking: we haven’t yet managed to find a way to collaborate, both remotely and in-person. Around this collaboration, there is an essential dimension: informality. To be a team, we need to share something other than a common activity. The second function is to provide a workspace for employees, away from home, so they can invest in their professional sphere.

This is why the collaborative spaces of tomorrow’s offices will be oversized, without eliminating individual workstations. Architects today have integrated these new trends.

## What will these new premises look like?

I’m thinking of one of the first major projects we were involved with, at Société Générale, which moved more than 5,000 employees from La Défense to Val-de-Fontenay. They moved from a tower to a campus and “broke up” the traditional spaces that reflected very hierarchical organizations. The symbolism is strong and reflects the company’s desire to move from a vertical organization to horizontal management. In the same way, the increased use of new digital tools, connected devices and artificial intelligence clearly places the “employee experience” at the heart of projects. What is also emerging is the gradual disappearance of large headquarters in favor of multiple decentralized offices, closer to where employees live. This is the case for some banking networks: the head office teams can now move to the branches to work. Companies will adopt new property strategies, that’s for sure. The office is not dead, but it will change profoundly.

## How does NEURONES support these transformations?

Today Property development projects affect the entire company. As an expert in managing major projects, NEURONES is involved in the overall coordination of the program. It defines a strategy with top management, guides the real estate and architectural dimension, integrates connected technologies, supports human resources in their relations with labor representatives, designs a communication plan, deploys new managerial practices, etc. We manage a network of partners capable of responding to all issues. In total, some 40 consultants are mobilized on these truly transforming projects.



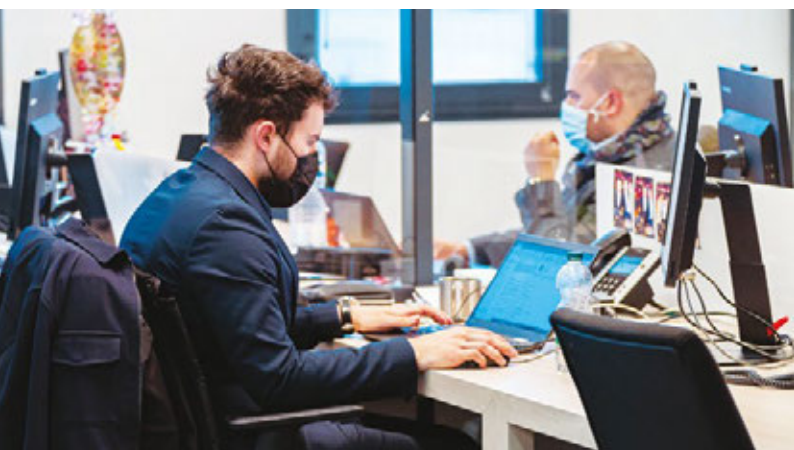
A man with light brown hair, wearing a dark blue suit jacket over a white shirt and dark trousers, stands in a doorway. He is smiling and leaning his left arm on the right door frame. The doorway is framed by dark blue doors with gold-colored hardware. The floor is covered with a patterned carpet.

**FRANÇOIS-XAVIER,**  
*Associate consultant  
(Management and  
organization consulting)*

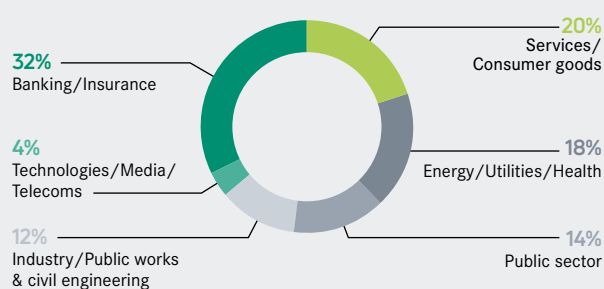
« AS AN EXPERT  
IN THE MANAGEMENT  
OF MAJOR PROJECTS,  
NEURONES IS INVOLVED  
IN THE OVERALL  
COORDINATION  
OF TRANSFORMATION  
PROGRAMS. »

# References and achievements

Around 1,000 companies and public bodies of all sizes trust NEURONES.  
Some have been loyal clients for many years.



## 2020 REVENUE BREAKDOWN BY SECTOR





## TAKEN FROM OUR LIST OF REFERENCES

BANKING -  
INSURANCE

AG2R LA MONDIALE  
ALLIANZ  
AVIVA  
AXA  
BNP PARIBAS  
BPCE  
CRÉDIT AGRICOLE  
EURONEXT  
GENERALI  
GROUPAMA  
MONTEPASCHI GROUP  
HSBC  
MALAKOFF HUMANIS  
SOCIÉTÉ GÉNÉRALE  
TEXA SERVICES

SERVICES - TRANSPORTATION  
CONSUMER GOODS

ACCOR  
ADEO (LEROY MERLIN...)  
AUCHAN  
BEL  
CARREFOUR  
CASINO  
CHANEL  
KERING  
KPMG  
LVMH  
NESTLE  
OPCO ATLAS  
PERNOD RICARD  
TRANSDEV  
YUM ! BRANDS (KFC, etc.)

ENERGY - UTILITIES -  
HEALTHCARE

AREVA  
BAYER  
BOLLORÉ  
DELPHARM  
DIAGNOSTICA STAGO  
EDF  
ENGIE  
ENI  
LABORATOIRES ROCHE  
PIERRE FABRE  
REXEL  
SANOFI  
SERVIER  
TOTAL  
VEOLIA ENVIRONNEMENT

TECHNOLOGY - MEDIA -  
TELECOMS

BOLLORÉ  
BOUYGUES TELECOM  
CLEAR CHANNEL  
DASSAULT  
EUTELSAT  
GÉNÉRALE DE TÉLÉPHONE  
GROUPE M6  
INGENICO  
LAGARDÈRE  
ORANGE  
SAMSUNG  
SAP  
SFR  
TV5 MONDE  
VIVENDI

INDUSTRY - CONSTRUCTION  
& CIVIL ENGINEERING

ALTAREA COGEDIM  
AVRIL  
BOBST  
BOUYGUES  
BRENNTAG  
DAHER  
ERAMET  
IMERYS  
INVIVO  
LÉON GROSSE  
NEXITY  
SAINT GOBAIN  
SERGE FERRARI  
THALES  
VINCI

PUBLIC  
SECTOR

AGENCE FRANÇAISE DE DÉVELOPPEMENT  
ANDRA  
APAVE  
ASSEMBLÉE NATIONALE  
AUTORITÉ DES MARCHÉS FINANCIERS  
BANQUE DE FRANCE  
CAISSE DES DÉPÔTS  
CHAMBRE D'AGRICULTURE  
CONSEIL DÉPART. DES HAUTS-DE-SEINE  
CONSEIL DÉPART. DES YVELINES  
LA FRANÇAISE DES JEUX  
LA POSTE  
OECD  
SNCF  
UGAP



83%

OF CAC 40 COMPANIES  
PLACE THEIR TRUST  
IN NEURONES



1,000

CLIENTS CONTRIBUTE  
EACH YEAR TO  
REVENUE GROWTH



8.6%

NO. 1 CLIENT'S SHARE  
OF REVENUES



# SELECTED ACHIEVEMENTS IN 2020

## #infrastructures

### For a group of DIY and home improvement stores



With a view to improving the user experience: deployed mobile equipment for 30,000 employees, multiplied and increased the dematerialization of support access channels (self-help tools, chat, etc.), and implemented “in-house” innovations (Météo 3 Clics, MyConnectedApp, etc.).

## #consulting

### For a major social housing landlord

To optimize, and subsequently increase, the occupancy and rental revenues of its parking lots: conducted an opportunity study to equip (90,000 spaces) with electric charging stations. The summary document takes into account the macroeconomic and microeconomic dimensions and the related risks.

## #applications

### For a leading European Group in thermal comfort

As part of securing 2,000 mobile devices: support for the implementation, then deployment of a solution (Lookout) guaranteeing an optimal level of security on the move, regardless of the location of employees and their use of the equipment. This application is also fully integrated with VMware's unified endpoint management solution (Workspace One).

## #consulting

### For a major French bank

As part of a cost reduction program, conducted a scoping study for a project to create a regional expertise center (to take advantage of more competitive salaries and real estate costs than in the Paris suburbs), developed a “business case” with a selected scenario leading to recurring savings estimated at nearly €2.5 million in 18 months (for 60 positions).

## #infrastructures

### For a global player in composite materials

In order to improve agility and flexibility, while rationalizing resources: migrated all information systems to the public cloud, unified databases and moved to a PaaS environment, generating savings of nearly 30% on outsourcing and hosting.

## #applications

### For a major energy distributor

In order to be able to choose the best scenario for a potential conversion of its information system to S/4 Hana: conducted a study with a status report, including preparation for the migration, hosting modalities, definition of the new target organization and simulation of the related impacts and costs.



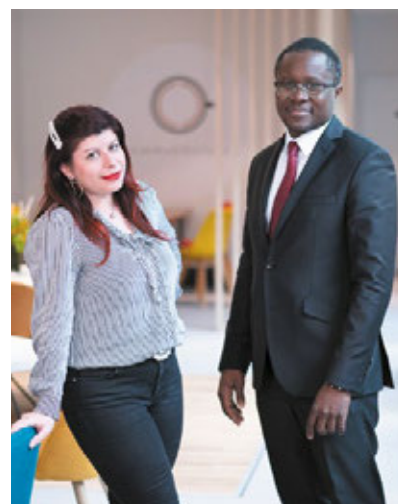
## #infrastructures

### For an international agro-industrial group

In order to industrialize and automate in three years its Information Systems Department's in-house skill areas: implemented the necessary services to handle employees' level-2 incidents and requests, in particular by means of reinforced automation and industrialization, proactive monitoring and improved security management.

## #applications

### For a key player in Parisian transportation



To support users in new uses and work modes related to the health context: implemented a collaborative tool (Microsoft Teams), remote training workshops and provided communication and training materials, complemented by online content.

## #consulting

### For a world leader in the food industry

In order to reinforce its “Retail Marketing” segment during the health crisis: analyzed the organization, objectives and tasks of this activity, then defined a target organization and provided support during its deployment. In the long run, this mission will help improve the profitability of omni-channel marketing campaigns and increase the sales outlets.

**#consulting****For a French electricity operator**

Within the context of the opening of electricity transmission to competition and for operation and maintenance purposes: conducted an opportunity study of consumption distribution (between operators sharing the same lines) and organized needs expression workshops with the different departments of the operator.

**#applications****For a French giant in the production and distribution of materials**

In order to accelerate its digital transformation: conducted a study on the added value for the group of the new S/4 Hana management software package (e.g., new generation platform managing databases in memory). The construction of a prototype based on the current SAP system made it possible to evaluate the business gains and to establish a recommendation for migration to S/4 Hana, with a sequenced and costed roadmap.

**#infrastructures****For a major French luxury group**

With the objective of continuously improving its IT services: implemented a multilingual service desk, relying on an operational team of 80 experts, based mainly in Italy and Romania. This system is complemented by local support, which also manages the group's IT equipment.

**#infrastructures****For a major player in Tunisian industry**

In order to improve the information system's performance, availability and security: renewed the hosting contract for the entire information system (15,000 users in 130 subsidiaries). The system is based on 120 servers representing 3TB of Ram and 100TB of flash storage, with of course the essential disaster recovery plan in case of an incident.

**#consulting****For a major banking player**

Within the context of risk monitoring and control at the group level, and in close connection with the activities and processes familiar to the managers: managed the project to bring permanent control into compliance with the regulators (national and European), including, for effective management, the corresponding tooling for each client segment.

**#applications****For a video game publishing studio**

In the context of the production of a "visual novel" (interactive mobile adventure game): developed two applications for Android and iOS. A team of developers was mobilized for ten months on the scoping, proof of concept, test versions and release of the apps on the Apple and Google stores.

**#infrastructures****For a French leader in contact center cloud solutions**

On the occasion of the migration of its platform to the public cloud: implemented a DevOps approach to support the transformation of internal processes, tools and methods. The five-month mission streamlined the exchanges between the development and production teams in order to reinforce the agility and the responsiveness of the group concerned.

**#applications****For a pension fund for self-employed professionals**

As a continuation of the creation of a mobile and web management interface dedicated to members: implemented a platform for exchanging and synchronizing data between this new digital universe and the system (of older design) used by the managers. A customized fast data solution was developed by NEURONES consultants, who also helped the internal IT teams manage the change.

**#consulting****For a leading electricity supplier in France**

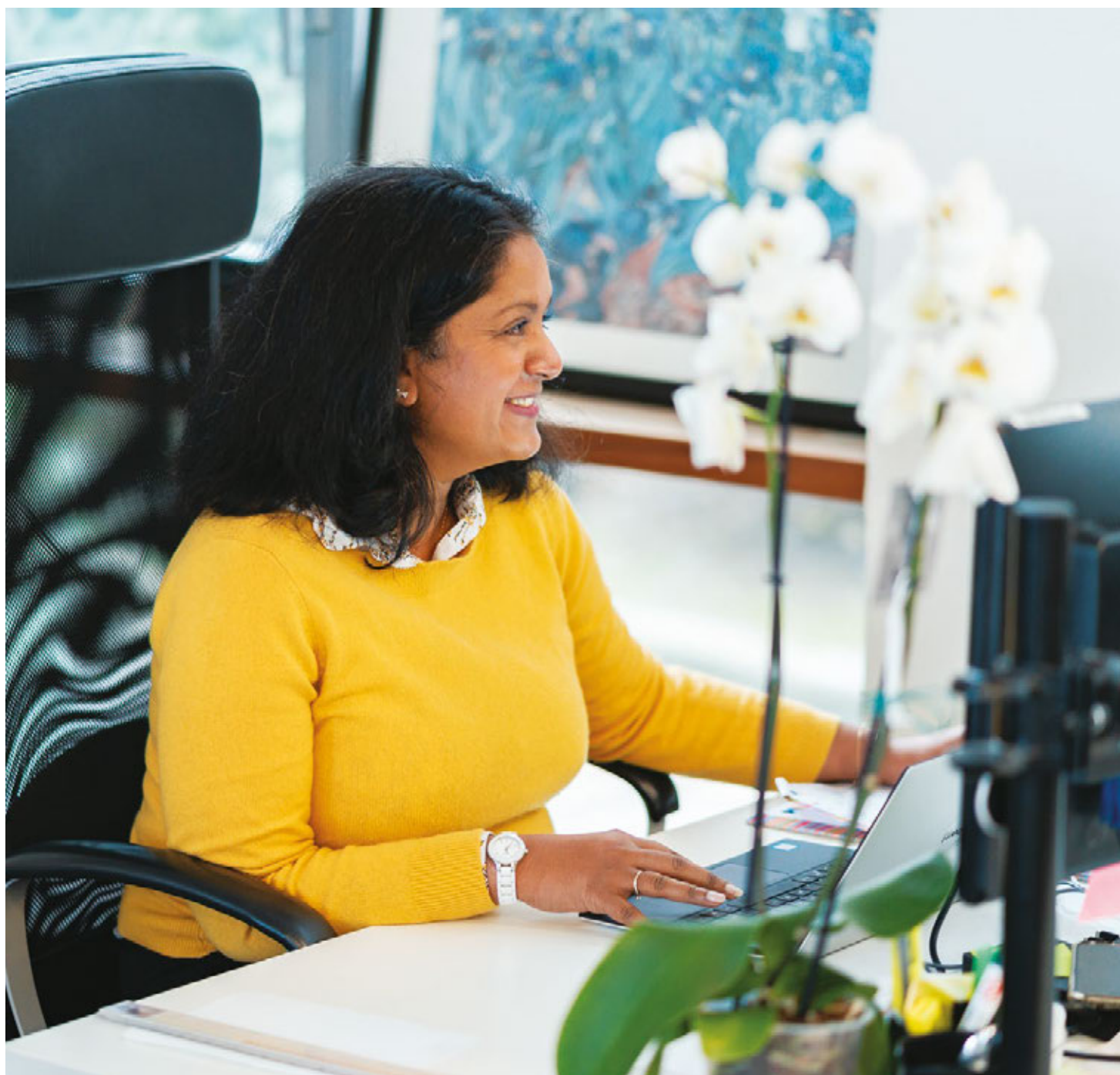
With a view to developing the customer experience and particularly self-care: benchmarked eight software vendors, produced various analyses (quantitative, qualitative and economic) and formulated recommendations on the tool choice (costs, potential savings and complexity of implementation).



# RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

**37** A socially responsible Group

**38** A committed company





# A socially responsible Group

The employer's social responsibility is a priority for NEURONES' managers and executives. It is also in the interests of both the company and its clients.



Over the long term, the financial performance objective and the desire to factor in Environmental, Social and Governance criteria converge.

## CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR)

For the ninth consecutive year, the Non-Financial Performance Statement – NFPS (page 59 of this document), followed by the auditor's opinion:

- addresses environmental, social and societal aspects, since NEURONES is convinced that success is achieved by including all stakeholders in the eco-system, not just the clients and employees: sub-contractors, other service providers (including fellow companies), training organizations (including engineering

and business schools), public authorities, local authorities, civil society and shareholders;

- enables the Group to move forward thanks to:
  - indicators with precise definitions,
  - the auditing of data-reporting processes and tools,
  - establishing the Group's carbon footprint.

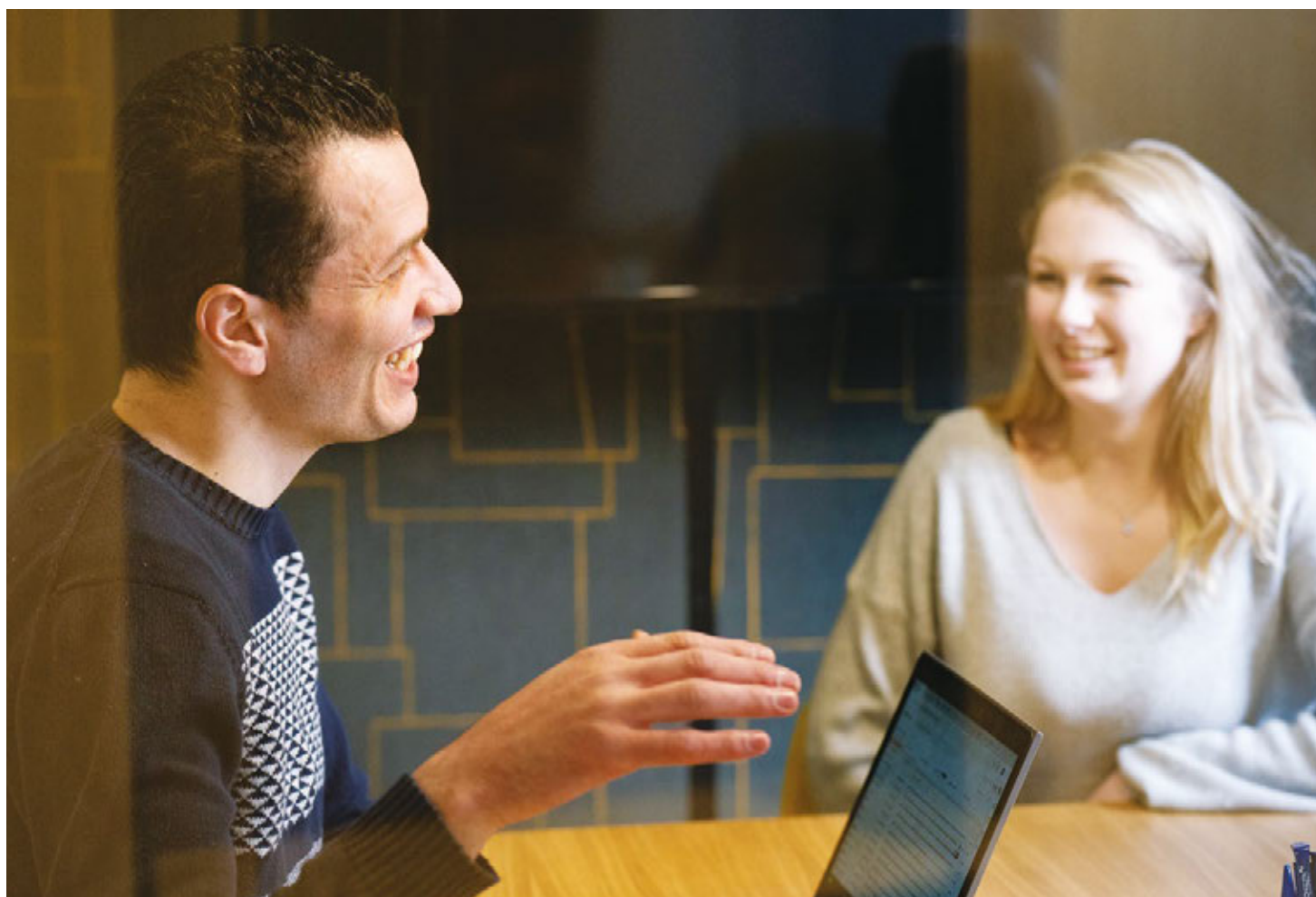
It is natural part of a proactive drive for continuous improvement.

## GOVERNANCE

NEURONES' governance (described on pages 109 and following) complies with practically all of the recommendations of the MiddleNext code for mid-cap and small-cap stock. The remunerations and other information concerning the company executive officers (page 115) are given in compliance with the recommendations of that same code.

# A committed company

Since its inception in 1985, NEURONES has endeavored to pursue responsible and sustainable development within its environment. This is one of the company's key commitments.



173

NET JOBS CREATED IN 2020  
(ON A CONSTANT SCOPE BASIS)



66

NATIONALITIES REPRESENTED  
AMONG EMPLOYEES

## OUR NUMBER 1 ASSET: HUMAN RESOURCES

Right from the outset, the Group established an ambitious and innovative Human Resources policy that fosters diversity: 66 nationalities represented, a variety of academic backgrounds, including young, seasoned and senior professionals, 330 apprentices, interns and professionalization contracts in 2020, of which more than 93% were open-ended contracts.

### Numerous job creations:

- net job creation each year, including in 2020 (+173 at constant scope), in addition to the jobs created at subcontractors,
- company growth and acquisitions are handled without ever using layoff plans,
- an IT retraining program helps young graduates to find a job.

### Longstanding capital sharing scheme:

- around 40 company managers and executives hold stakes in the capital of the companies they are developing,
- distribution of bonus-shares and schemes to open up capital,
- new key executives are regularly given the opportunity to acquire stakes in their companies and/or the Group.

### Ongoing career management:

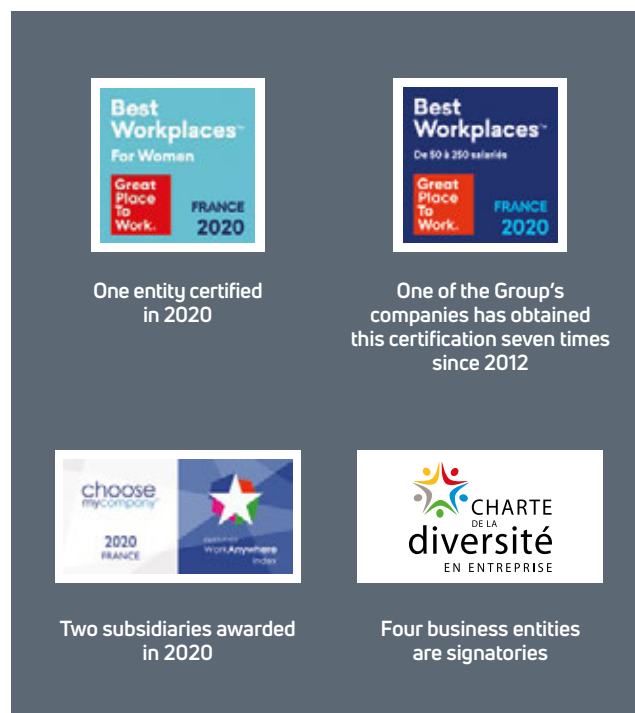
- lateral moves encouraged between different job fields and different functions, preference for internal promotion (especially for managerial and executive positions),
- annual performance reviews and interviews every few years are standard practice.

### Long-term training policy:

- sustained advanced training actions (technical, management, languages, etc.),
- training plans are easier to carry out because they use the Group's own training centers,
- we encourage employees to obtain qualifying certification (editors, new technologies, etc.).

### Motivating working environment:

- an environment that empowers people and lets them build their own future,
- bonus share and performance share plans in progress in eight entities,



- Group management holds a majority shareholding, which rules out decisions made by financiers or uninvolved shareholders.

In addition, the Group promotes diversity, gender equality and strives to be handicap-friendly. It has implemented the corruption prevention mechanism provided for in the Sapin Law.

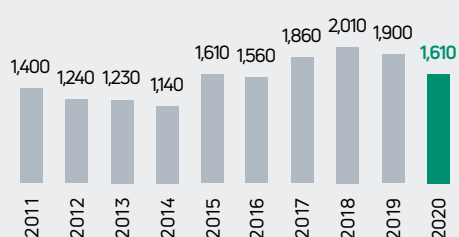
## CLIENTS

Service lines are continuously improved in all activities in an effort to constantly adapt solutions to decision-makers' needs.

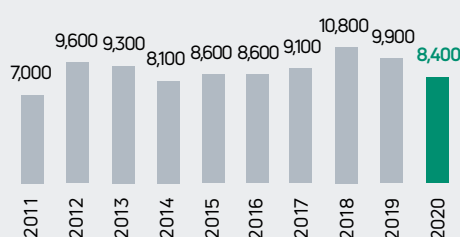
### Industrialized and pooled services:

- In 2020, €5.3m of industrial investments were channeled primarily into the service centers (extension in France and abroad) and the cloud computing line of services (hardware and software, and reserved areas with third-party hosters).

## NEW HIRES (excluding acquisitions)



## TRAINING PLAN (days x trainees)







#### Active quality development:

- the three main companies in the Infrastructures business are ISO 9001 certified.
- the three companies in the Infrastructures segment with their own managed services centers and regular ISAE 34-02 audits are ISO 27001 certified.
- one entity is Health Data Hosting (HDH) certified.
- SecNumCloud certification (in progress).

#### Constant tailoring to needs:

- the creation of specialized companies and mergers with fellow companies with complementary areas of expertise are continually enhancing the quality of the services and expanding the scope of expertise.

## SUBCONTRACTORS

- the company includes CSR criteria in the evaluation of its main subcontractors,

- employees of companies employing disabled people in protected and special facilities are integrated into the Group's teams on recurring contracts via temporary business groups (TBG).

## MARKETS AND SHAREHOLDERS

#### Profit reinvestment:

- for a long time (before the company was listed), profits were reinvested in full. Today, a large percentage of the profits is set aside to enable the Group to achieve its ambitions, irrespective of situation in the financial markets, the economic situation or bank policy.

#### Regular, transparent communications:

- the annual (audited) results are published within ten weeks of the fiscal year end. The (unaudited) results are published every quarter. The Group has also issued a twice-yearly Shareholders' Newsletter since 2000.

#### Proven resistance to cyclical uncertainties:

- the diversified business portfolio and the recurrent nature of certain core businesses have allowed the company to come through the years of market contraction without too great an impact on profitability and without having to resort to staff cuts.

## THE ENVIRONMENT

Given the nature of its core businesses, NEURONES' environmental footprint is only marginal. However, the Group:

- calculates its carbon footprint,
- ensures that it uses data centers with good energy performance (low PUE),
- has installed low-energy systems (lighting, HVAC, etc.),
- systematically recycles consumables (printer toners, electric batteries, etc.),
- recruits, as far as possible, in labor market areas close to its service centers to limit daily commutes,
- encourages the use of video-conferencing.



75%

OF THE LAST 20 YEARS' PROFITS  
PLACED IN RESERVE TO FUND  
FUTURE DEVELOPMENTS



€7.4m

INVESTED IN 2020  
IN CLOUD COMPUTING  
AND SERVICE CENTERS

## WHAT OUR PEOPLE HAVE TO SAY

## ASPIRATIONS, PASSIONS, CAREER PATHS AND MORE

**ZALINA,**  
Administrative and Financial  
Manager (Computer  
Training)  
With NEURONES  
since 2013



I arrived at NEURONES at the age of 24 for a few months replacement in an administrative position. At the end of this fixed-term contract, I was offered to join the Group permanently. A few years later, I was promoted to Sales Administration Manager.

During the first few years, I was lucky enough to be supported by the Administrative and Financial Director himself. He showed great confidence in me and was very good at advising me on my professional development. He taught me a lot, with the help of the Group Accounting Manager, both in the field of accounting and corporate finance. They were all very understanding of the family constraints of a "single mother".

After six years, and having fully mastered the contours of my position, I told my manager that I wanted to acquire new skills and responsibilities, and to move into corporate finance. He listened carefully and suggested that I join one of the Group's subsidiaries as Administrative and Financial Manager. Due to the health context, the start to this new position was quite complicated: with a start just before a lockdown, I had to adapt to a new company and new assignments, mostly remotely. But, thanks to personal work, the support of my colleagues and the patience and benevolence of my new manager, I quickly found my feet and am now thriving more and more in this new role.

« **VERY GOOD ADVICE  
WAS GIVEN FOR  
MY PROFESSIONAL  
DEVELOPMENT.** »

**NICOLAS,**  
Senior IT Consultant  
(User Support)  
With NEURONES  
since 1999



Despite training at a hotel school (carried out in large establishments in France and abroad), in reality I have always been an IT enthusiast. In 1999, a Group entity was looking for a help desk technician to support a hotel Group. After a qualification contract, I was hired as a Technician, then became Production Supervisor. In 2001, I was entrusted with my first management mission for an account in the luxury sector. Then my career path followed the company's development: Service Desk Manager, Service Delivery Manager, Multi-account SDM, etc. For 15 years, I led exciting and very varied projects and took up great challenges.

For the past 5 years, I have been part of the Excellence Factory, a cross-functional department that includes the Pre-sales, Quality and Methods teams, and an IT Solutions team under my responsibility. Our objective? Be on the lookout for innovations likely to help clients and teams in their missions, and to make them available via a dedicated portal. With the Quality and Methods department, we have also developed an in-house quality control tool, QLine Manager, a solution that is unprecedented on the market.

Next project: an immersive client path covering 250 m<sup>2</sup> to introduce prospects and clients to all the innovative solutions in user support. It is a very ambitious project for which my manager and general management have given me their full confidence. My wish for the future? To continue evolving towards a management position, with new challenges related to innovation!

« **MY MANAGER  
AND THE GENERAL  
MANAGEMENT PLACE ALL  
THEIR TRUST IN ME.** »

## WHAT OUR PEOPLE HAVE TO SAY

## ASPIRATIONS, PASSIONS, CAREER PATHS AND MORE

**LAURENCE,**  
*Hypermobility  
 Service Manager  
 (Digital workplace)*  
 With NEURONES  
 since 2015



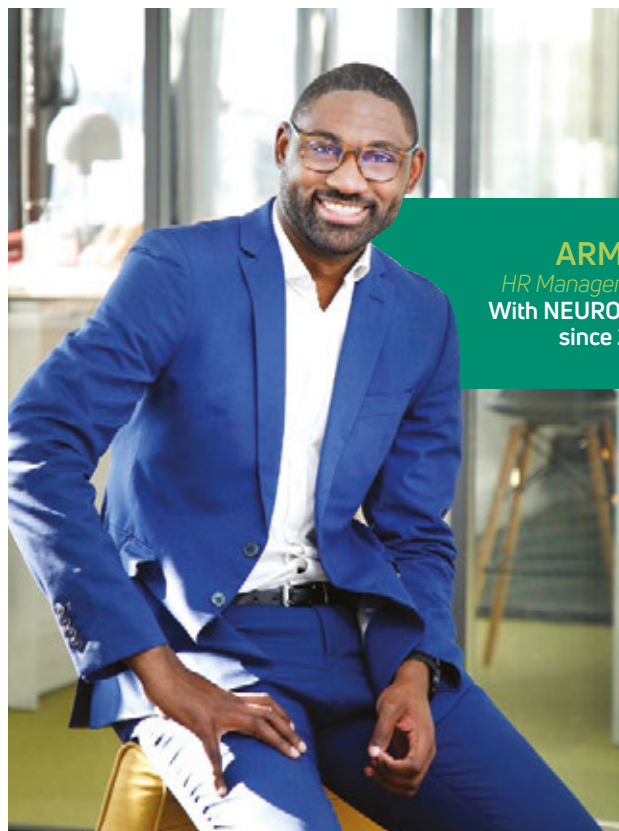
The technology sector attracted me very early on and I followed a work-study program in Computer Management, with an option in Systems and Networks Administrator. With my diploma in hand, I went to work as an Architect in DSC and in companies. In 2015, I chose to specialize in mobility, a sector that was beginning to develop and obviously promised a bright future.

I then joined the Group in a new Business Unit for digital transformation and managed services. At the time, the structure was just starting up, there were only four of us... everything had to be created! I held many positions, wore different hats and learned a lot. It is also a great pleasure to work hand in hand with a motivated team and to help the entity grow exponentially. What I really like at NEURONES is that everyone grows together, in a spirit of family and very strong human values. It is very inspiring and motivating.

Last year, I wanted to rediscover the start-up spirit that had excited me so much when I started. For the past eight months, I have been contributing my expertise to a Group DSC for which I am building a hypermobility service line from A to Z, with a dedicated team. I hope that many others will join me in this new adventure to share the momentum and help this new and exciting project grow with me!

« AT NEURONES,  
 EVERYONE GROWS  
 TOGETHER IN A SPIRIT  
 OF VERY STRONG  
 HUMAN VALUES. »

**ARMEL,**  
*HR Manager (IoT)*  
 With NEURONES  
 since 2017



After a degree in Modern Letters, I moved on to a master's degree in Human Resources Management. My professional career began through internships and work-study as a Recruitment Officer for a large temporary employment Group, then for a leader in digital transformation.

In 2017, I joined NEURONES as a Recruitment Officer for one of its entities. The opportunity was offered to me to progress and develop my skills, first in the Projects team, then in the Technical Support team. A year later, thanks to internal mobility, I joined the HR division of the IoT business unit, which became a full subsidiary in 2020. I have many assignments: recruit employees who have both a solid technical background and a personality in line with the Group's values (open-mindedness, adaptability, etc.), advise and propose solutions to operational staff and to my manager, and, finally, stay close to and ready to listen to employees, in order to be able to best meet their expectations: another strong Group value.

« STAY CLOSE TO  
 AND READY TO LISTEN  
 TO EMPLOYEES:  
 A STRONG VALUE  
 OF THE GROUP. »

In view of the growth ambitions, the next few years are going to be exciting, as many challenges will arise. We will have to adapt our client retention strategy, organize the sharing of knowledge internally and remain competitive, while maintaining the family spirit to which we are very attached.





**KONUL,**  
Consultant  
(Cybersecurity)  
With NEURONES  
since 2018

My interest in security was born while studying geopolitics. After a degree in International Relations in Azerbaijan, my native country, I did two Masters at Sciences Po Grenoble, including one in International Security and Defense. The courses addressed cyber security issues, which I found very interesting.

As a young graduate, I learned in 2018 that the Group's cybersecurity entity was looking for a Russian-speaking Cyber Threat Intelligence analyst. I applied and joined this division, which grew quickly, with assignments that expanded. In 2020, I wanted to acquire new skills and asked to join the Digital Risk Management division, where I have been a cybersecurity consultant since September 2020. It's a very different job, both because of the technical issues involved and because of the need to have a global vision of the problems of the companies I work with. It pushes you to get out of your comfort zone, to learn and to train constantly. In this respect, I recently followed an ISO 27001 "Information Security Management Systems" course, a real asset to strengthen the relationship of trust with clients. I am fortunate to have managers who are very present and attentive, and who have always helped me to grow and improve my skills.

My next objectives? Become more autonomous in my missions, take full responsibility for a project and support a young employee in his development.

« I AM FORTUNATE  
TO HAVE MANAGERS  
WHO HAVE ALWAYS  
HELPED ME GROW. »



**YANN,**  
Shareholder manager  
(SAP)  
With NEURONES  
since 2008

After a university education as a programmer analyst, I started working on SAP at the age of twenty-one in a large consulting firm. A few years later, during an acquisition operation, I joined the Group's SAP entity as a junior project manager. My hierarchical responsibilities and areas of expertise progressed as the business developed, with numerous training courses to accompany this development: I learned business, management, project management and leadership skills.

« MY AREAS OF  
EXPERTISE HAVE  
PROGRESSED AS THE  
ENTITY HAS GROWN. »

In 2014, I was offered the opportunity to become a shareholder of the subsidiary and I managed a shared third-party applications maintenance center for three and a half years. 2018 was mainly devoted to leading an SAP implementation project for one of our major clients.

In eleven years, our team has grown significantly, from about 40 employees to one hundred and ninety. The governance had to be overhauled and I was asked to be part of it. With the health context, we were thrown into the deep end quite suddenly! We had to make decisions in an unfamiliar environment, while at the same time managing the day-to-day operations, reassuring the employees and helping them to maintain their links with the company. This year taught us all a lot, and in particular that we have to know how to adjust constantly, without losing the goal we have set!

# UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT



<b>1</b>	<b>GROUP BUSINESSES</b>	<b>p.46</b>
1.1.	General presentation	p.46
1.2.	Business overview	p.47
1.3.	Core businesses in detail	p.48
1.4.	Market and competition	p.54
1.5.	Organization	p.55
1.6.	Development and investment strategy	p.56
1.7.	Impact of the health crisis	p.57
1.8.	Outlook	p.58
<b>2</b>	<b>EXTRA-FINANCIAL PERFORMANCE STATEMENT (CSR REPORT)</b>	<b>p.59</b>
2.1.	Business model	p.59
2.2.	Key CSR risks identified	p.60
2.3.	CSR Strategy	p.60
2.4.	Employee relations policy	p.61
2.5.	Community policy	p.64
2.6.	Environmental policy	p.65
2.7.	Methods used	p.67
2.8.	Auditor's opinion	p.68
<b>3</b>	<b>RISKS</b>	<b>p.70</b>
3.1.	Main risks, risk identification and control mechanisms	p.70
3.2.	Insurance	p.72
3.3.	Control environment	p.72
<b>4</b>	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>p.74</b>
4.1.	Consolidated financial situation	p.74
4.2.	Consolidated income statement	p.75
4.3.	Other consolidated financial items	p.76
4.4.	Notes to the consolidated financial statements	p.78
4.5.	Auditors' report on the consolidated financial statements	p.93
<b>5</b>	<b>PARENT COMPANY FINANCIAL ITEMS</b>	<b>p.95</b>
5.1.	Company balance sheet and income statement	p.95
5.2.	Information on equity investments	p.97
<b>6</b>	<b>ORDINARY SHAREHOLDERS' MEETING ON JUNE 3, 2021</b>	<b>p.98</b>
6.1.	Ordinary Shareholders' Meeting on June 3, 2021	p.98
6.2.	Report on corporate governance	p.106
6.3.	Draft resolutions submitted to the Ordinary Shareholders' Meeting on June 3, 2021	p.117
<b>7</b>	<b>GENERAL INFORMATION CONCERNING THE COMPANY AND ITS CAPITAL</b>	<b>p.121</b>
7.1.	Data sheet	p.121
7.2.	Capital and shares	p.122
7.3.	Employee profit-sharing and incentive plans	p.124
7.4.	Persons in charge of auditing the financial statements	p.124
7.5.	Related information	p.124

<b>TABLE OF CONCORDANCE</b>	<b>p.125</b>
-----------------------------	--------------

<b>GLOSSARY</b>	<b>p.126</b>
-----------------	--------------



# 1 Group Businesses

## 1.1. GENERAL PRESENTATION

### Identity and background

With nearly 5,600 employees and revenues of €524.5 million for FY 2020, NEURONES is ranked in terms of market capitalization among the top 10 publicly listed groups in the sector (IT Consulting & Services and Technology Consulting):

(in millions of euros)	Capitalization (12/31/2020)**	2020 Worldwide Revenues
1 Capgemini	21,402	15,848
2 Atos	8,225	11,181
3 Alten	3,164	2,332
4 Sopra Steria	2,715	4,263
5 Devoteam	776	760
6 Wavestone	600	422*
7 Akka Technologies	575	1,504
8 <b>NEURONES</b>	<b>567</b>	<b>524</b>
9 Econocom***	548	2 559
10 SII	525	676*

\* 12 months at 3/31/2020.

\*\* Including technology consulting companies (Alten, Akka and SII). Capgemini including Altran.

\*\*\* Listed in Brussels but generates around half of its revenues in France.

Sources: company press releases and Euronext.

Created from scratch in 1985, the Group has experienced steady growth (averaging 8.1% per year over the last ten years).

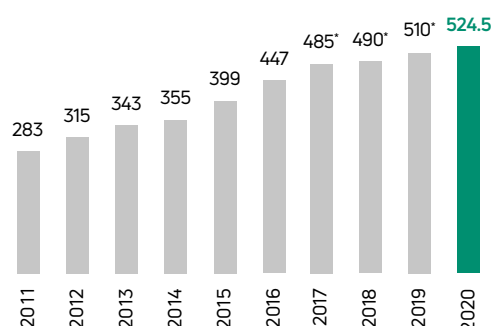
The Group was built by setting up and acquiring specialized subsidiaries, with unique technical know-how and using their own commercial brand. These companies' mission is to rapidly attain a significant size in their field so they can provide the best level of services at controlled fixed costs. A cross-functional team coordinates the different entities working on contracts involving several complementary businesses and manages the overall relationship with certain "key accounts".

NEURONES has thus based its business on proven, sound foundations to further its internal development and grow through acquisitions of companies with the same or complementary core businesses.

Since its listing on the Stock Exchange in May 2000, the Group has made around ten significant acquisitions, which now account for roughly a third of its business.

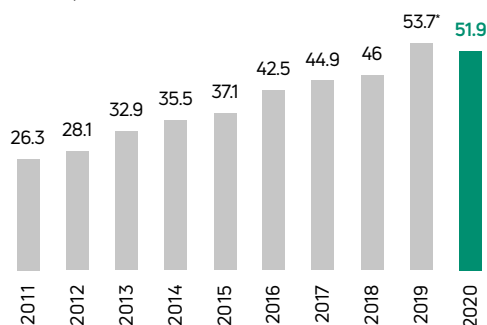
### Key figures

#### Consolidated revenues (in millions of euros)



\* Changes in the scope of consolidation (€23 million of revenues sold).  
The adoption of IFR 15 reduces annual revenues by approximately €10 million from 2018.

#### Operating profit (in millions of euros)



\* Including capital gain on disposal of €4.6 million.

Trends in key figures (in millions of euros)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues	283.3	315.4	343.2	355.2	399.4	446.8	485	490.1	510.1	524.5
Operating profit	26.3	28.1	32.9	35.5	37.1	42.5	44.9	46	53.7	51.9
Operating profit	9.3%	8.9%	9.6%	10%	9.3%	9.5%	9.3%	9.4%	10.5%	9.9%
Net profit	17	17.2	21.4	23.6	24.5	29	31.6	29.6	35.2	35
Net margin	6%	5.4%	6.2%	6.6%	6.1%	6.5%	6.5%	6%	6.9%	6.7%
Net profit – Group share	14.8	14.9	18.6	20.5	21.3	25.2	27.3	26	30.8	30.9
Staff at year-end	3,471	3,704	4,065	4,082	4,580	5,044	5,028	5,160	5,372	5,589

Note: created in 2013, the CICE (Competitiveness and Employment Tax Credit) was transformed into lower expenses in 2019, with no impact on operating profit but with an additional corporate tax effect of €1.5 million per year. Since 2018, IFRS 15 has been applied (only the gross profit has been recognized in revenues for purchases/resales of hardware and market software). The effect of applying this standard was a drop of about €10 million in revenues per year, with no impact on operating profit. Since 2019, IFRS 16 (restating rental contracts as debt) has been applied. It has resulted in two years of improved operating profit (€0.3 million in 2019, €0.1 million in 2020) and increased financial expenses (€0.8 million in 2019, €0.7 million in 2020).

## 1.2. BUSINESS OVERVIEW

### NEURONES, active player in digital transformation

With the arrival of the most recent technologies and their effective use by new “disruptive” players, sometimes having quickly reached world-scale size thanks to significant funding, digital has become a major investment consideration for companies and organizations.

The digital transformation brings together business projects that use digital technology to design or rethink their services (innovation workshops), digitize the “client journey” (mobile applications, UX/UI, “mobile first” sites, digital marketing), use connected devices and big data to make the best use of data (analytics, business intelligence) and, lastly, improve operational and support processes (e.g., BPM, ESB, EPS, paperless processes, etc.).

They also have an important impact on IT departments, which can now produce new digital applications faster and thus optimize the “time to market”. Today one can also use very close iterations to upgrade the successive versions of the same application (small tight-knit teams, “Agile” methods). This quickly leads to:

- the use of new development tools,
- the implementation of DevOps “chains” so new versions can be released almost continuously,
- widespread adoption of various forms of cloud computing, a necessary prerequisite to implement DevOps chains.

Finally, Artificial Intelligence (AI) creates new hopes and prospects in Digital Services: “chatbots” for support processes, smart automatons to better anticipate security or IT operation incidents, etc.

The digital transformation irrigates the majority of the Group’s core businesses, even if it is a difficult challenge to precisely define the scope of these businesses, some of which have existed at NEURONES for some years. For example, typical digital applications include business process management applications, incoming or outgoing paperless processes, Electronic Document Management (EDM), etc. The cybersecurity and private cloud core businesses have also existed for a long time and have

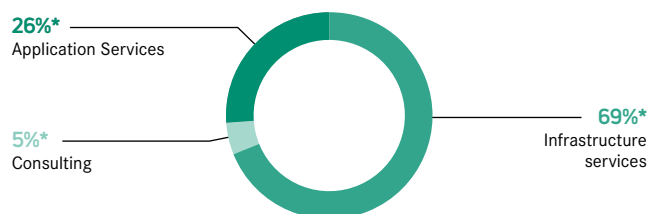
been accelerated by the digital transformation. However, other businesses are more recent (big data architectures, DevOps chains, connected devices, chatbots, blockchain, etc.).

Concurrent with the new digital applications, major organizations have to keep managing substantial legacy applications developed over time and based on different technologies. Their IT department is thus forced to make a traditional organization (studies, integration, production) coexist with an operation adapted to digital, as described above.

The Group businesses, which eventually will be considered as 100% related to digital transformation, are detailed below, business by business.

### Business segments

With the regular progression of Agile/DevOps and the Cloud, the frontier between application services and infrastructure management will be less pronounced in the future. In the medium and long-term, infrastructures will become increasingly automated (“infra as code”). Thus some people argue that eventually 30% of the people managing infrastructures will be programmers (or encoders). Nevertheless, the breakdown of NEURONES’ revenues into three segments (Infrastructures / Applications / Consulting) remains the most relevant and, above all, has the merit of ensuring comparability with prior reporting periods:



\* 2020-related revenues.

The relative share of each segment has been stable over the past five years:

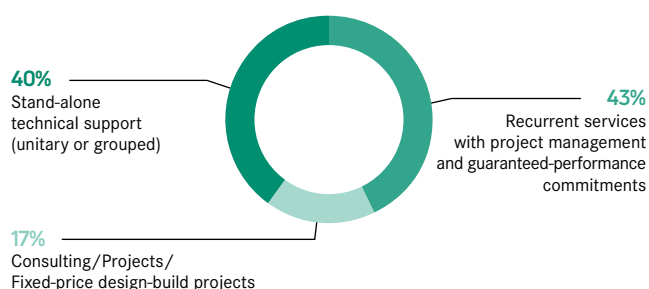
Breakdown by business segment (in millions of euros)	2016		2017		2018		2019		2020	
	Revenues	%	Revenues	%	Revenues	%	Revenues	%	Revenues	%
Infrastructure Services	308.1	69%	330.7	68%	335.8	69%	350.3	69%	358.5	69%
Application Services	116.2	26%	126.7	26%	129.6	26%	132.1	26%	137.7	26%
Consulting	22.5	5%	27.6	6%	24.7	5%	27.7	5%	28.3	5%
<b>TOTAL REVENUES</b>	<b>446.8</b>	<b>100%</b>	<b>485</b>	<b>100%</b>	<b>490.1</b>	<b>100%</b>	<b>510.1</b>	<b>100%</b>	<b>524.5</b>	<b>100%</b>

### Types of service, recurrence

The digital services businesses (Infrastructures and Applications segments) break down as follows:

Type of activity carried out	Information System Domain	
	Infrastructures	Applications
Design / Build	Architecture, projects, migrations, deployments Cybersecurity (audits, consulting)	Application design, software package integration, tailored developments, tests
Run / recurrent services	Managed services, outsourcing, service desk, hosting, cloud computing, Cybersecurity (subscriptions, SOC)	Support and Third-Party Application Maintenance Business Process Outsourcing (BPO)

According to its recurrence and the type of service (fixed price or on a time basis), the activity breaks down as follows:



Recurrent services with project management and guaranteed-performance commitments are long-term contracts concerning two business segments:

- Infrastructures: managed services,
- Applications: Third-Party Application Maintenance (TPAM).

They require the intervention of seasoned pre-sales teams, significant supervision, rigorous management control and ad hoc interventions by experts: proper application of Group methods, contract audit and search for improvements in the quality of service and profitability. These contracts have initial

terms of 3 to 5 years. Their actual average duration is often longer: they can be renewed formally or tacitly.

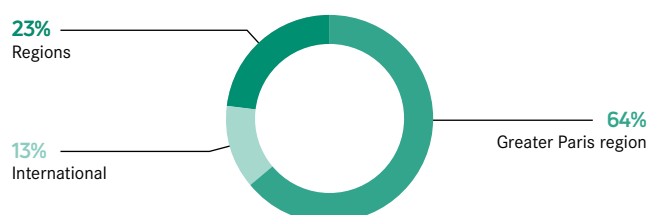
Technical assistance missions and certain projects lasting more than 12 months are considered recurring.

By consensus, all Consulting work is considered to be a non-recurrent project activity.

Overall, the revenue recurrence rate is estimated at approximately 70%.

### Activities by geographic zone

The Greater Paris region accounts for two thirds of the employees, while the portion of employees in other regions and outside France continues to grow regularly:



Breakdown of staff (year-end)	2016		2017		2018		2019		2020	
	Staff	%	Staff	%	Staff	%	Staff	%	Staff	%
Greater Paris region	3,718	74%	3,678	73%	3,599	70%	3,574	66,5%	3,587	64%
Regions	905	18%	900	18%	1,005	19%	1,125	21%	1,258	23%
International	421	8%	450	9%	556	11%	673	12,5%	744	13%
<b>TOTAL STAFF</b>	<b>5,044</b>	<b>100%</b>	<b>5,028</b>	<b>100%</b>	<b>5,160</b>	<b>100%</b>	<b>5,372</b>	<b>100%</b>	<b>5,589</b>	<b>100%</b>

Outside France, at December 31, 2020, staff were distributed as follows: Tunisia (312 people), Romania (266 people), Singapore (51 people), Germany (44 people), Italy (26 people), Switzerland (18 people), Ivory Coast (12 people), Belgium (8 people) and India (7 people). The vast majority work in service centers for services requested by clients located in France. The Group also contracts partners in around 20 countries under global contracts.

## 1.3. THE CORE BUSINESSES IN DETAIL

### Core businesses making up the various segments

The business segments comprise one or more core businesses, addressing both design/build and recurrent phases. Each core business is housed in one or more dedicated companies, which enables the Group to have a simple legal structure that reflects its organization. Minority interests are held exclusively by the directors and executives of the subsidiaries, veritable shareholder-entrepreneurs.

Segment	Core Businesses
Infrastructure services	<ul style="list-style-type: none"> <li>• Cloud, Infrastructure management, DevOps</li> <li>• Cybersecurity</li> <li>• User support</li> <li>• IT service management, Information System governance, automation</li> </ul>
Application Services	<ul style="list-style-type: none"> <li>• Digital, UX / UI, agile, DevOps, mobility, Data, IoT</li> <li>• SAP integration and outsourcing</li> <li>• Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes</li> <li>• IT consulting for the finance, big data, AI and Blockchain core businesses</li> <li>• IT training and working with change</li> </ul>
Consulting	<ul style="list-style-type: none"> <li>• Management and digital transformation consulting</li> <li>• Digital marketing consulting</li> </ul>

The activity figures below are the contributions to the Group's consolidated revenues, after restating intra-Group transactions. Therefore these are not the revenues of the companies these core businesses are assigned to.





## Core businesses of the Infrastructure Services segment

### Cloud, Infrastructure management, DevOps

(in millions of euros)	2019	2020	20/19
<b>REVENUES</b>	<b>156.2</b>	<b>152.1</b>	<b>-3%</b>

The decrease in revenues is primarily due to the spin-off of the Internet of Things (IoT) part.

Today, IT infrastructures are open and multiple. The use of the cloud (public, private, hybrid, multi-cloud, etc.) and containers is growing rapidly (at least +20% per year expected until 2025) and will probably become the norm. A growing number of applications are running in SaaS mode. Thanks to the use of the latest technologies, server deployments and releases of new versions of applications are now carried out in much shorter timeframes.

This profound and rapid change is taking large organizations by surprise. They are not ready to immediately replace all of their legacy developments and migrate to the latest technologies. Consequently, their architectures now combine multiple environments: current projects (based on today's technologies), but also applications that have been in production for several years and are evolving in older environments.

An important activity of the Group is to help clients migrate to the public cloud ("go to cloud"): Microsoft Azure, Amazon Web Services, etc. Such an approach is carried out after preparing the "landing zone" in the public cloud and carrying out a detailed study of the application portfolio: program by program eligibility and the need to rebuild certain applications in native cloud mode in order to benefit from the advantages of public cloud platforms. This preparation phase is complex. Simply moving virtual machines to the public cloud would result in increased budgets with applications that would not take full advantage of their new environment. Often, a decommissioning program for legacy applications accompanies the move to the public cloud.

Once the migration is complete, NEURONES provides recurring services on public clouds but with a thinner layer of services than on private clouds. Client budget management assistance services (FinOps) are growing rapidly.

The Group's private clouds represent a volume of around 13,000 virtual servers (VMs - see glossary at the end of the document). The old physical servers have been virtualized and installed on high-performance sets of blade servers. Data storage and backups are pooled and centralized. Invoices are calculated on a pay-per-use basis (processor power and memory capacity, storage capacity, Internet bit rates, etc.). Almost all the hardware and software for the private cloud is acquired by the Group ("Capex"). The Group rents space (private cages) in a dozen data centers from specialists in dry hosting (building, electrical security, fire safety, air conditioning, access security, etc.) at "Tier 3+" level. These dry hosters obviously do not have access to the servers managed in the spaces they offer for rent. Clients pay a rent that includes the supply of equipment, hosting and services provided by the Group ("Opex"). In this activity, the Group is in the process of obtaining certification from ANSSI (Agence Nationale de la Sécurité des Systèmes d'Information / National Information Systems Security Agency) for the "SecNumCloud" qualification.

ISO 27001 approved, the managed service centers manage servers, networks and applications remotely and on a 24/7 basis. The Group's teams handle alert reports transmitted by supervision tools (reactive mode), take preventive action (proactive mode), perform tasks planned using a scheduler, manage releases and changes. The main supervision tool used by the server service centers was developed internally. It gives the Group a substantial competitive - and in particular financial - advantage. The Group also has a latest-generation configuration management database (CMDB). Productivity gains are also achieved by automating and pooling certain resources such as supervision, database administration, ERP operation, security expertise, etc. Finally, a

clear distinction is made between Tier 1 operations (where incidents are handled according to a highly industrialized process) and Tier 2 operations (search for the root cause of the incidents, analysis and preventive measures, capacity review, technical office, preparation for releases).

Bolstered by its own experience, NEURONES also assists the progressive automation of infrastructures located in its clients' private clouds:

- implement Docker/Kubernetes container-based solutions,
- development (Ansible, Terraform), APIs, Cloud Management Platforms (CMP),
- implement self-service (Python development),
- design Software Defined Data Center (SDDC), Software Defined Network (SDN) and Software Defined Storage (SDS) architectures,
- implement secure remote connection solutions (VPN, etc.),
- end-to-end supervision (application performances, systems, networks),

Some teams implement DevOps tool chains (e.g., Git, Jenkins, Nexus, XL Deploy, etc.). Other profiles are integrated in mixed teams ("pizza teams") blending Dev and Ops profiles, working in DevOps mode, so new versions of applications can be released almost continuously. Often, these teams provision the middleware resources themselves and even the hardware (data, servers) they need.

Finally, the Group covers all the profiles required for IT production: operators, operations analysts (support, operation, preparation), operations engineers, systems engineers and operations project managers, along with data center architects and PMO (Project Management Office) profiles.

The IT operations business has changed considerably and now deals primarily with real-time applications, along with the methods and software tools it uses. The IT operations business requires proficiency in Unix, the main schedulers on the market (\$Universe and Control M), the main supervision (HP-OV) and alert (Patrol) tools and the main backup tools (Netbackup, Networker).

Proper integration of the applications in production (adjusting processing and controls, documentation) and efficient management of changes remain key success factors, together with completion of the operations plan.

Recurring infrastructure management is carried out in different ways: stand-alone technical support (unitary or grouped), complete operation including project management and service level agreements. The services are carried out either on client sites or remotely, from the Group's service centers or in mixed mode, on site and remotely.

#### Businesses linked to digital transformation:

- Public, private and hybrid cloud, multi-cloud,
- Containers,
- APIs, automation, infrastructure self-service,
- DevOps: supply of infrastructure services and tools.

### Cybersecurity

(in millions of euros)	2019	2020	20/19
<b>REVENUES</b>	<b>12.5</b>	<b>19.8</b>	<b>+58%</b>

The demand for cybersecurity is sustained and clearly long-term. Information systems are now more open and readily accessible - and hence more vulnerable - than ever before, with e-mail, systematic Internet connections, interconnections between a company's head office, agencies, clients, suppliers and partners, the widespread practice of remote access from portable computers or devices (staff who work off site or from home, etc.) and interconnections with industrial systems and connected devices. The growth in this market generates strong pressures on the expertise resources in these businesses.

PASSI approved by ANSSI (PRIS label expected for 2021), the Group's cybersecurity activity performs additional assignments:

- assessment: audits and intrusion testing,
- consulting: providing overall security support, defining policies, building awareness, compliance,
- implementing solutions, EDR (Threat Endpoint Detection and Response), SIEM (Security Information and Event Management), etc.,
- managed services: SOC (Security Oversight Center), CERT (Computer Attack Response Center) and Threat Intelligence.

In 2020, cyber incidents were up substantially. The Information Systems Recovery Teams following an attack (CERT) intervened in around 50 claims, most of them serious.

#### Businesses linked to digital transformation:

- all business activities set out above.

#### User support

(in millions of euros)	2019	2020	20/19
REVENUES	159.7	163	+2%

Supporting employees, in the proper business use of their digital applications and tools, is a key success factor for companies undergoing massive digital transformation.

As a result, users benefit from end-to-end services:

- service desk,
- applications support and functional assistance,
- local support,
- workstation engineering,
- workstation logistics and deployment,
- support for the transformation of business processes.

The expertise deployed makes it possible to provide all employees with precise assistance, irrespective of their occupation or position. The service is provided along the entire digital chain without interruption: smartphone, laptop or desktop PC, tablet, etc.

It provides a responsive (short lead-times for handling and responding to requests) and efficient (large capacity for immediate problem resolution) service. It contributes to the continuous improvement of information systems (identification of trends, study of causes, improvement recommendations) and therefore to the performance of companies.

The balance between the sense of client relations, technical knowledge and the understanding of the client's business processes is crucial to provide a quality service. Maintaining this balance over time is a key factor for building client loyalty. For this reason, service desk staff are given regular practice sessions and training.

Half of the services are provided in eight interconnected service centers and half at the client's site, for users in some 20 countries. The latest communication technologies are used. They make it possible to access the service from any channel: telephone, email, sms, interactive chat, chatbot, voicebot, multi-services digital space (myConnectedLounge®), self-service platform, etc. from any terminal, at any time (24/7) and with a choice of more than 25 languages.

Knowledge and best practices are necessarily capitalized quickly to ensure the service is optimized. In addition, proven ITIL practices have been used to set up consistent processes.

Continuous improvement plans, designed to reduce the number of calls on the service desk, are implemented based on the client context: self-help solutions, chatbots and RPA (Robotic Process Automation) tools using increasingly intelligent pre-configured decision trees and predictive analysis (Nexthink).

Furthermore, the improvement plans are based on twenty-five years of experience and feedback, with concrete, significant gains. The number of

tickets has been routinely cut by 20% to 25% over three years. The productivity gains are shared evenly with clients in the form of a lower fee or a rise in the level of service.

Finally, in the face of ever higher levels of expectation, it is essential to remain innovative by placing the employee at the center of the innovations. Thus the Centers of Excellence were established:

- myConnectedAssistant: specific support for members of executive committees & top management,
- iXpert: specialized service for the entire Apple® ecosystem,
- myConnectedLounge®: first patented multi-service digital space for companies in less than 2 square meters,
- myConnectedSatisfaction: real time management of user satisfaction.

In order to increase its capacity to resolve technical uncertainties and support clients during the transformation of IT infrastructures towards cloud-based systems and virtualization, the user support provides a line of services covering expertise (ExperTeam®), consulting, architecture and projects.

At the same time, in order to provide business departments (notably sales and marketing departments) with its expertise in terms of client relations, the service desk offers a business support service (Seequalis®) to improve the "client journey" and increase loyalty.

#### Businesses linked to digital transformation:

- use innovation (chatbot, voicebot, artificial intelligence),
- functional assistance on core business processes,
- support for interactive terminals.

#### IT Service Management, information system governance, automation

(in millions of euros)	2019	2020	20/19
REVENUES	22	23.6	+7%

The areas covered include managing services and assets for an IT department (IT Service Management, ITSM). The projects carried out improve cost control and structure IT services in order to increase their quality and user satisfaction with the information system.

There are various types of assignments:

- consulting: defining organization and setting up ITIL processes, benchmarking,
- providing assistance to project owners: defining projects, drafting specifications, managing change,
- operational IT process management and project management,
- implementing ITSM software solutions and managing project portfolios (partnerships with ServiceNow, HP Software, EasyVista and others),
- Third-Party Application Maintenance, either on client premises or provided through the Group's shared service center.

The line of services was recently enriched in the following complementary domains:

- applications life cycle management (ALM): set up availability, performance and load testing tools for applications (HP Load Runner, etc.),
- IT operations management (ITOM): set up provisioning orchestration and automation tools for IT operations.
- certificate training courses for ITIL (EXIN accreditation).

#### Service centers for the infrastructures segment

- data centers: spaces reserved at five "Tier 3+" third-party hosters in 10 different centers,
- 7 remote operation centers for servers and applications: Nanterre, Courbevoie, Lyon, Tours, Bangalore, Singapore and Tunis,
- 8 user support centers: Nanterre, Angers, Frankfurt, Lille, Lyon, Nantes, Tunis and Timisoara,
- 1 digital workplace center in Nanterre.



## Core businesses of the Application Services segment

### Digital, UX/UI, Agile, DevOps, mobility, data, IoT

(in millions of euros)	2019	2020	20/19
REVENUES	11.2	15.6	+39%

With CIOs or Chief Digital Officers (CDOs) of major accounts as contacts, NEURONES designs, pilots and carries out digital projects (Web, Mobile, IoT and data) subject to high volume and high availability requirements.

Using Agile methods and shared development platforms, NEURONES works in the following areas of expertise:

- web and mobile application designs (innovation, UX/UI offer, etc.),
- web project management: Product Owners, Scrum Masters,
- application development (Java, .net, PHP, etc.),
- front end JS development (Angular, Node, React, etc.),
- use of DevOps chains (Integrated Development Environments (IDE), software factories, etc.),
- Third-Party Application Maintenance (TPAM),
- web site data analysis: performance measurement (tag management, behavioral data analysis, A/B testing methods, etc.).

Mobile applications (IOS, Android, etc.) are developed by dedicated teams.

The mobile infrastructure management service (MDM - Mobile Device Management) is based on Airwatch, Intune, LookOut, Okta, etc.

The activities related to connected devices (IoT), and more broadly to innovation consulting, have been grouped together in a specialized subsidiary. They include the following services: support for innovation, integration of new technologies, development of data feedback platforms and increasing their value. With its experience in new technologies, this entity has developed a methodology for scaling up innovative projects, based on in-house software support.

#### Businesses linked to digital transformation:

- design thinking, innovation support, Agile methods, UX/UI,
- digital projects,
- mobility,
- connected devices, use of collected data.

### SAP integration and outsourcing

(in millions of euros)	2019	2020	20/19
REVENUES	41.5	46.8	+13%

The Group's SAP activities can be broken down as follows:

- integration: functional design and then installation and deployment of new modules or versions, especially SAP S/4 HANA,
- expertise: work on the key points of projects (data transfer, structural changes, non-regression testing, BI, etc.).
- ABAP development,
- SAP administration and operation using in particular the BC (Basis Components) module,
- support and TPAM (which can also be included in broader outsourcing contracts),
- user documentation and training (change management).

The following missions are performed on a regular basis:

- split-up or merger of SAP systems (data conversion),
- country roll-out: a core model is rolled out in different European countries,
- set up latest generation SAP user interfaces (Fiori, etc.), porting SAP screens on laptops and tablets, SAP Utilities module ("IS-U" Industry-Specific Solution for the Utilities Industry),
- management of licenses with Optiuse® ("in-house tool" for measuring licenses actually used).

### Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes

(in millions of euros)	2019	2020	20/19
REVENUES	35.8	34	-5%

Enterprise Content Management (ECM) uses unstructured information in electronic form (letters, contracts, invoices, emails, miscellaneous electronic documents, photos, films, etc.), as opposed to information stored in databases.

It concerns all management and formatting of the mass content published by companies on the Internet: Web Content Management (WCM).

ECM also includes Electronic Document Management (EDM) applications: acquisition, classification, storage, archiving and distribution of scanned documents.

Business Process Management (BPM) is a set of methods and applications that optimize and automate workflows. Robotic Process Automation (RPA) refers to the automation of routine tasks, through the integration of software robots that perform operations without human intervention, often through the simulation of keyboard exchanges (transaction entry, management of automated assistants, etc.).

ECM and BPM converge when the workflows concern case handling (insurance claims, subscriptions, etc.) and document circulation.

The steep increase in paperless documents, both incoming (letters) and outgoing (statements and invoices), and the proliferation of unstructured data, make ECM/BPM applications a sizable market segment, on a par with ERP (Enterprise Resource Planning), CRM (Client Relationship Management) and SCM (Supply Chain Management) applications.

#### Businesses linked to digital transformation:

- complex applications with high digital content,
- company bus (links between websites, SAP, sending and receiving SMS, paperless processes, etc.),
- distribution applications for text, audio and video content.

### IT consulting for the finance, big data, AI and Blockchain

(in millions of euros)	2019	2020	20/19
REVENUES	34	32.2	-5%

This "market finance" activity involves advising corporate and investment banks for what is commonly referred to as their trading activity (shares and derivatives, rates, credit, exchange and raw materials). It provides expertise in project ownership assistance, architecture and project management for information system projects in the different sectors of the finance industry:

- front office: pricing, position management, negotiation, risk management, liquidity forecasts,
- middle office: control, validation, enrichment,
- back office: confirmation, settlement and delivery, cash flow, accounting.

It is also involved in Asset Management and Securities Services.

Most of its teams have mastered the tooling and development in DevOps mode, which is very common in finance.

This entity devotes part of its budget to research and development, currently primarily on blockchain and artificial intelligence. It has an investment (approximately 10% of the capital) in a startup creating a software program for the finance sector (risk management and real-time transaction analysis) based on big data technologies.

#### Businesses linked to digital transformation:

- roll-out of big data architectures (Hadoop, Hbase),
- data scientist services,
- DevOps.



## IT training and change management

(in millions of euros)	2019	2020	20/19
REVENUES	9.6	9.1	-5%

This business encompasses consulting on the organization of training plans (engineering, management of training plans and courses, communication plans), the actual delivery of training (traditional training sessions, e-learning, Mooc, quick-learning, long courses including “reskilling”, reconversion actions including POE (Operational Preparation for Employment), CQP (Professional Qualification Certification), monitoring application requests for CPFs (Personal Training Accounts), etc.), the design and then management of “IT stores” or “IT counters” on client premises, and finally support and assistance when rolling out office or business applications or ERP software. The training entity maintains close relations with the “funders”: the various OPCOs (Skills Operators), Pôle Emploi (employment agency) and the CPFs (Personal Training Accounts).

One of the buoyant activities in this business is providing support for the installation of new ERP or line-of-business software packages. These are tailored training courses related to deployment projects. They include an upstream phase of consultancy and design of learning and documentary tools (e-learning, instructions for use) and a downstream support phase. We use an in-house digital studio to create educational tools. These tools are distributed via LMS (Learning Management Systems) platforms.

New distance learning services and the measures put in place by the public authorities during the lockdown periods enabled the Group’s training activities to resist in 2020, while the health crisis and teleworking cancelled de facto face-to-face courses from March 2020.

## Service centers of the applications segment

- 5 applications support and TPAM service centers: Nanterre, Angers, Levallois, Nantes and Orléans.



## Consulting Segment

## Management and digital transformation consulting

(in millions of euros)	2019	2020	20/19
REVENUES	25.6	23.9	-7%

Management consulting services are provided to the operational or functional divisions of corporate accounts. Projects sometimes include a component that requires skills in information systems and in digital transformation.

The management and organization consulting services provided include:

- assessment of strategic options, proposal of scenarios,
- guidance and support for complex projects,
- coordination of actors for transformation plans,
- guidance and support for the provision of digital technologies for core businesses,
- support for governance of digital transformation programs,
- operational coordination and management for projects,
- impact studies on regulatory and technology changes,
- Definition of strategies for pooling IT systems.

They are implemented by teams led by associates from major international firms.

## Businesses linked to digital transformation:

- a significant share of the missions, notably the design and organization of campus sites for large groups (teleworking, new uses, etc.).

## Digital marketing consulting

(in millions of euros)	2019	2020	20/19
REVENUES	2	4.4	+120%

With scoping or operational type interventions, this activity covers the following fields of expertise:

- coordinating innovation workshops,
- managing marketing data on DMP (Data Management Platforms) and managing cookies and their historization, with tools like BlueKai (Oracle) or Krux (Salesforce),
- personalization: choose, in real time, the sales information sent to a web surfer based on his browsing history and the CRM data concerning him (personalization software: Maximizer, Optimizely, etc.),
- omni-channel models of attribution: modeling cross-channel client journeys to orient media expenditures in real-time based on the visitor’s known profile and the tactics decided for all channels,
- omni-channel management (Adobe Campaign and Next Best Action tools),
- implementation of connected points of sale.

## Businesses linked to digital transformation:

- all activities set out above.

## Financial items by business segment

The change in the different business activities’ contribution to operating profit (EBIT) was as follows:

Operating profit (in millions of euros)	2016		2017		2018		2019		2020	
	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev
Infrastructure Services	26.4	8.6%	27.1	8.2%	29.5	8.8%	33.9	9.7%	35	9.8%
Application Services	13.1	11.2%	14.1	11.1%	13.3	10.3%	16.2	12.3%*	13.5	9.8%
Consulting	3	13.6%	3.7	13.3%	3.2	12.8%	3.6	13.1%	3.4	12%
<b>TOTAL</b>	<b>42.5</b>	<b>9.5%</b>	<b>44.9</b>	<b>9.3%</b>	<b>46</b>	<b>9.4%</b>	<b>53.7</b>	<b>10.5%</b>	<b>51.9</b>	<b>9.9%</b>

\* 8.8% without the capital gain on disposal realized in this business segment.

## Operating rate

The operating rate is defined as the ratio between the time allocated to clients' projects and the time the technical resources are available (number of working days less leave, sick leave and miscellaneous absences). This indicator is not defined the same way by all consulting and digital services companies.

Moreover, standard operating rates vary greatly from one line of business to another: consulting (around 70%), projects (around 80%), technical support (more than 90%) and managed services (not applicable).

For projects, it is more meaningful to look at the operating rate and the average selling price per day together, rather than the operating rate in isolation. In entities with a high proportion of technical support, the operating rate is a key management indicator and monitored on a weekly basis.

However, in managed services and TPAM where the billing is based on the completed activity units, it is the gross margin on contracts that is monitored, not the operating rates, which are inherently the highest in the Group.

Likewise, the service desk's operating rate (which can top 95%) is meaningless. It should be analyzed in combination with productivity indicators (the number of calls handled per day per support technician).

Similarly, for training, the occupancy rate (number of participants per room, number of rooms occupied) should be analyzed at the same time as the operating rate to see whether good use is being made of the technical resources.

## Partners

### An impartial specification policy

NEURONES is independent of any other technology player (vendor, manufacturer, platform manager, etc.). This guarantees the impartiality of its choices and recommendations. And all the more so since the Group works with designers of proven solutions, most of which will become standards in their market. These partners, who generally do not have significant sales forces, seek to rely on the professional support services of DSCs. By having access to the Group's installed base, they benefit from the relationships of trust established with the largest clients. In return, they train NEURONES consultants to the highest level and provide marketing support.

About eight players, often historical, make up the core of the partners who have often awarded NEURONES their best labels of excellence ("Platinum", "Premier", "Gold", etc.):

- Microsoft,
- Amazon Web Services,
- Service Now,
- SAP,
- VMware,
- Tibco Software,
- IBM FileNet.

In addition, depending on its specialties, the Group works with a hundred or so other software publishers, manufacturers or platform owners, listed below in alphabetical order, with the associated labels.

### Cloud, Infrastructure management, DevOps:

Cisco Select Partner – Citrix Gold Partner – Centreon Gold Partner – Datadog – Dynatrace – ExtraHop – F5 – Fortinet Gold Partner – Imperva Silver Partner – IPlabel Gold Partner – Ivanti – Juniper – NetApp – Newrelic Reseller – Nutanix – Oracle Gold Partner – OVH Partner – RedHat Premier Partner – Riverbed – Rubrik – Signal FX Managed Services Partner – Simplivity – Stormshield Silver Partner – Varonis – Velostrata Platinum Partner – Zerto – Zimbra Gold Partner.

### Cybersecurity:

CrowdStrike – Cybereason – DomainTool – Egerie – HarfangLab – Kaspersky – Palo Alto – Qualys – Rapid7 – RiskIQ – SentinelOne – Splunk Premier – Varonis – Vectra – VirusTotal.

### User support:

Arp – AWS – Bechtle Comsoft – Be-Cloud – Caphyon – Dell – Druva – F5 – Genesys – Igel – Lenovo – Lookout – Paessler – Qlik – Samsung.

### IT service management, Information System governance, automation:

AppDynamics – Atlassian – BMC – Digital.ai – Dynatrace – EasyVista Gold Partner – MicroFocus Gold Partner (Application Performance Management & IT Operation Management).

### Digital, UX/UI, agile, DevOps, mobility, Data, IoT:

Apperian – Factory Systèmes – Lookout – Objenious – Okta – Polestar – Visioglobe – AirWatch (VMware) – Wyres.

### SAP integration and outsourcing:

Opencell.

### Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes:

Abbyy – Alfresco Strategic Partner – Alfresco Technology Partner – Appian – ARender – Automation Anywhere – Blueprism – BonitaSoft Open Solutions – Confluent – Contextor Docusign Partner – Denodo – Dictao – DocuSign Partner – Docuware – EMC Captiva Partner – Ephesoft Partner – Expert.ai – FlowerDocs – Kofax Platinum Partner – OpenText – Power BI – Readsoft – SER Solutions – Tableau Software – UiPath – YouSign – WDG.

### IT consulting for finance, big data, AI and Blockchain:

Amazon Web Services – Cloudera – Confluent – Dataiku – Docker – HortonWorks – Snowflake.

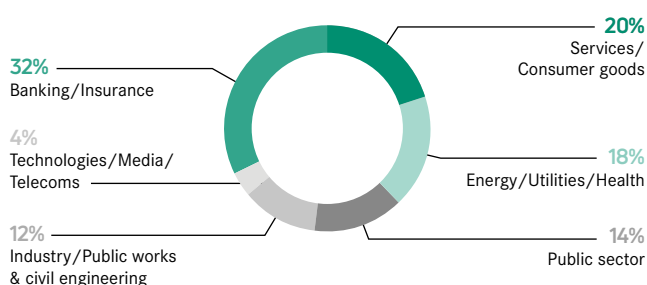
### IT training and change management:

AutoDesk Training Center – Cisco – Citrix – Clusif – Datadock – DevOps Institute Registered Education Partner – EXIN – ITIL Authorized Training Center & Authorized Certification Center – PECB Platinum – Prince2 Authorized Training Center & Authorized Certification Center – Qualiopi – SecNumEdu-FC – TOSA (Test Center).

## Clients

NEURONES' client base is made up of around 1,000 medium and large-sized private-sector companies, in addition to state-owned enterprises, local authorities and government departments, for whom the Group carries out mid-size projects (up to €10 million per year).

The revenue breaks down by sector as follows:



At the end of this fiscal year, as in previous years, the number one client is a major Group whose many decision centers and subsidiaries order services independently of each other and from different Group entities.

All told, 83% of NEURONES' client base (i.e., 33 of the 40 clients) are CAC 40 groups.

In 2020, the top 20 clients were (in alphabetical order): Accor, Axe, Banque de France, BNP-Paribas, Bouygues, BPCE, Carrefour, Conseil Départemental des Hauts-de-Seine, Crédit Agricole, EDF, Engie, Groupe Avril, Kering, LVMH, Saint-Gobain, SNCF, Société Générale, Veolia, Vinci, Vivendi.

Over the long term, the weight of the main clients is relatively stable:

Breakdown of revenues (in millions of euros)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Top 20 clients</b>										
• In value	160.6	174	198.7	211.4	225.6	260.5	285.7	294.8	293	293.3
• As % of consolidated revenues	56.7%	55.2%	57.9%	59.5%	56.5%	58.3%	58.9%	60.1%	57.4%	55.9%
<b>Top 10 clients</b>										
• In value	119.3	129.1	147.6	161.8	175	206.4	224.1	235.7	237.6	239
• As % of consolidated revenues	42.1%	40.9%	43.0%	45.6%	43.8%	46.2%	46.2%	48.1%	46.6%	45.6%
<b>Top 5 clients</b>										
• In value	86.4	89.3	102.3	116.6	127.2	146.1	161	169.8	169.3	178.7
• As % of consolidated revenues	30.5%	28.3%	29.8%	32.8%	31.8%	32.7%	33.2%	34.6%	33.2%	34.1%
<b>No. 1 client's share</b>										
• In value	30.8	30.6	31.9	34.4	37.6	42	40.7	48	47.4	45.3
• As % of consolidated revenues	10.9%	9.7%	9.3%	9.7%	9.4%	9.4%	8.4%	9.8%	9.3%	8.6%

At December 31, 2020, and following a specific action plan, trade and other receivables had again decreased by 7 days. It was also noted that, probably as a result of lower interest rates on excess cash, some clients had voluntarily reduced their payment terms to suppliers:

	2016	2017	2018	2019	2020
Trade receivables	90 d	94 d	98 d	89 d	82 d
of which unbilled revenue	16 d	19 d	22 d	15 d	12 d

The Group uses neither factoring nor the exchange of securities for debt.

## Subcontracting

### Upstream subcontracting

A small portion of the revenues (roughly 2.2% in 2020) was generated by acting as a subcontractor for a manufacturer, vendor or fellow company.

### Downstream subcontracting

Subcontracting covers a variety of realities: regular or occasional operations with freelancers or colleagues, outsourcing packages (e.g., international workstation management), technical services (rental of network links, dry hosting, etc.).

The amount of subcontracting purchases, in proportion to the Group's revenues, is growing regularly primarily due to an increasing desire of consultants and IT technicians for an independent or freelance status and recruitment pressures:

2016	2017	2018	2019	2020
19.3%	20.7%	22%	23.1%	24.3%

The subcontracting rate exceeds 40% in training activities and 30% in three entities with a high proportion of technical assistance. It is only 13% in user support services. About half of the subcontracting concerns freelancers.

## Trademarks and patents – Industrial and intellectual property

### Software

The Group has developed and is the owner of various “software building blocks”, which it uses for its own requirements or those of its clients.

### Patents

By law, software cannot be patented as such, so there are no patent license agreements.

### Brands

The Group owns or uses, free of charge, the trademarks used for the business names of its entities, websites and offers.

## 1.4. MARKET AND COMPETITION

### The IT services market: size and trends

The software and IT services sector is thought to represent revenues on the order of €56 billion, making it twice as large, for example, as the pharmaceutical industry. It can be broken down into three subsectors as follows:

Size of the French market (in billions of euros)	2020	%
IT consulting and services	33.7	60%
Technology consulting	8.9	16%
Software publishing	13.4	24%
<b>TOTAL</b>	<b>56</b>	<b>100%</b>

Source: Syntec Numérique & IDC.

It is thought to employ 2.5% of French salaried employees, representing a market workforce twice as large, for example, as the aeronautical and aerospace sector. There are around 725,000 salaried IT technicians in metropolitan France (excluding approximately 55,000 freelancers) divided roughly as follows:

- two thirds, or 475,000 in DSC (SSII), the technology consulting sector and the software industry, and
- one third would be employees at end clients.

Since 1999, the average annual growth rate in IT services has been between two to three times that of GDP.

According to various observers and forecasters, while the French GDP fell by a historic 8.3% in 2020, the French IT consulting and services market (in the strict sense) would have fallen by only 4.2% (December 2020 estimate). For 2021, growth is expected to be +1.1%:

Change in the French market	2016	2017	2018	2019	2020(e)	2021(e)
IT consulting and services	+2.7%	+3.2%	+3.3%	+3.1%	-4.2%	+1.1%
Technology consulting	+3%	+5%	+5.5%	+5%	-12.3%	-3.3%
Software publishing	+3.4%	+5.2%	+5.3%	+6.6%	+0.3%	+3.8%
<b>AVERAGE WEIGHTED</b>	<b>+2.9%</b>	<b>+3.9%</b>	<b>+4.1%</b>	<b>+4.2%</b>	<b>-4.6%</b>	<b>+1%</b>

Source: Syntec Numérique – December 2020.



Overall, the sector's growth is supported by projects related to digital transformation. These are grouped under the term "Smacs" (Social, Mobility, Analytics, Cloud and Security) and account for nine-tenths of the growth (+6.4% growth in 2020 for "Smacs" including +12.2% for the cloud alone). In 2020, due to their higher growth rate, the proportion of "SMACS" should represent approximately 30% of the services.

The "SMACS" acronym covers a wide variety of projects, which involve infrastructures as well as applications.

- Social: collaborative platforms, corporate social networks,
- Mobility: redesign of mobile applications, unified workstations (tablets),
- Analytics and big data,
- Cloud: private and public, hybrid, multi-cloud, DevOps channels, containers, etc.,
- Security: strengthening security as IT systems become increasingly open.

In 2021, the cloud, cybersecurity, digital projects and SaaS craze should drive growth. Consulting will suffer from the lack of embedded growth in its workforce and the desire of a number of clients to renegotiate their contracts.

The weight of offshore is still estimated at 8 to 9% of the French market for digital services.

## Competition

In terms of revenues, NEURONES would rank 11<sup>th</sup> among Consulting and Digital Services companies (excluding technology consulting companies: Alten, Akka, Assystem, SII, etc.) in a very fragmented French market for services (the number of fellow companies employing more than 10 people is estimated at nearly 4,000):

Revenues of main digital services companies in France	French market share (approximate share)	Nationality
1 Capgemini	8.1%	France
2 Sopra Steria	5.5%	France
3 IBM	4.8%	United States
4 Atos	4.5%	France
5 Accenture	4.2%	United States
6 Orange Business Services	4.2%	France
7 CGI	3.2%	Canada
8 Inetum (formerly GFI)	2.4%	Qatar
9 DXC	2%	United States
10 Econocom	1.8%	Belgium
11 NEURONES	1.5%	France
Top 11 total	42.2%	

Sources: 2019 revenues in France according to PAC – July 2020 (2020 figures unavailable when this report was prepared), market in France estimated at €35.2 billion in 2019 according to Syntec.

NEURONES encounters a wide range of digital service companies and management consulting firms of all sizes in its various markets. As a multi-specialist, the Group tends to find itself, in each of its business lines, up against different competitors of varying sizes rather than overall competitors.

### Cloud, infrastructure management, DevOps

The infrastructure market in general is highly fragmented between the departments of some large digital service companies and dedicated companies of varying size.

The historical players in the private cloud have almost all set up dedicated teams to support the public cloud (Amazon Web Services, Microsoft Azure, etc.).

They also provide recurring services around the public cloud in their service centers.

For the private cloud (IaaS), after a phase of fragmented competition, the number of players is decreasing in a volume-based market; with competitors differentiating themselves through services targeted at different client bases.

### Cybersecurity

The IT security specialists are small companies (with a few dozen employees), departments of large digital services companies, "captives" of industrial groups (Thalès, Airbus, etc.) or even auditing firms.

### User support

The Group's specialized entity is the leader in its market. Its main competitors are a limited number of medium-size fellow companies. For significant contracts (support for several thousand users), there are entry barriers: open and redundant information systems, business continuity plans, innovation capacity, staffing capacity, the need to have service centers in the region (greenshore), nearshore and offshore and geographic coverage (several countries, worldwide).

### Digital, UX/UI, Agile, DevOps, mobility, data, IoT

Numerous companies of varying sizes are accompanying these new technological waves, with the major DSCs creating specialized departments within them.

### SAP, ECM / EDM / BPM / RPA

Close to the vendors whose products they integrate, competitors are either small or medium-sized specialized companies or the dedicated departments of large DSCs. Large-scale TPAM is often handled by players with offshore capabilities.

### IT consulting for the finance, big data, AI and blockchain

The challengers in this business tend to be mid-size specialized services companies.

### IT training and change management

The Group is one of the top five specialized IT-training players in France. Competitors are independent organizations.

### Consulting services in management, organization, digital transformation and digital marketing

The competition is extremely varied, including both the "top players" and numerous medium and small-sized consulting firms (between two and three hundred in France).

## 1.5. ORGANIZATION

### Operational organization chart

The following functions are centralized:

- Group senior management,
- finances (consolidation, management control coordination, management of the parent company's cash and the "cash pool" supplied by the subsidiaries),
- legal,
- Group marketing and communications,
- client relations management for select key accounts,
- coordination of major multi-entity projects: the Group's commitments to clients are taken across the Group, with the support of the account manager and the technical manager of the entity chosen as leader,
- quality and security.

The operational subsidiaries perform the following functions:

- senior management,

- sales,
- service delivery (team allocation, contract performance and monitoring),
- marketing,
- recruitment, human resources management and payroll,
- quality (certifications, monitoring and improvement plans),
- accounting and management control,
- IT and support services.

The billable (or “productive”) workforce represents a stable and high proportion of the total workforce:

2016	2017	2018	2019	2020
89.9%	88.9%	89%	88.8%	88%

The Group is organized into highly independent profit centers, with the central functions kept to a strict minimum. Each subsidiary communicates in its business line under its own name.

The management committee is composed of around fifteen senior managers, who are shareholders in the entity they manage or set up, and also hold shares in the Group.

## Sales organization

The sales organization has two levels:

- the sales forces, specialized by type of service and by the business sector, are divided up among the entities, business by business,
- on top of which sits a cross-functional Group department for certain corporate accounts. Global account managers coordinate the actions of the Business managers and Business Engineers of the different entities who are specialized by type of service. They also provide consolidated reporting for the client accounts concerned.

## Marketing and communication organization

The Group marketing and communication department reports to the general management. It designs and deploys operational marketing initiatives to support NEURONES’ reputation and image. The team handles both external communication (job applicants, shareholders and investors) and in-house communication.

As soon as an entity attains the requisite size, a local team is set up to handle its own marketing for service lines and clients, sometimes in coordination with the Group-wide department.

## Technical organization

The technical departments are distributed in the business entities.

Each subsidiary uses its collaborative tools to manage its technical knowledge.

## Human resources organization

Each subsidiary handles its own recruitment, training plan and compensation policy. Payroll management is pooled in several processing centers, as is participation in selected career fairs.

## Administrative and financial organization

The following functions are centralized:

- the budgeting process,
- management of the Group’s cash position and cash pooling,
- monthly consolidation and statutory half-yearly consolidations,
- support for external growth,
- the legal function, in liaison with the Group’s legal advisors.

Each subsidiary is responsible for its accounting, management control and cash management (including its potential participation in the Group’s cash pool).

## Quality system

The three main components of the Infrastructures business segment are ISO 9001 certified, which together represent 60% of the Group revenues. The certified activities include systems and network design/build and operation, IT operations and user support. The managed services of the three infrastructure entities with service and accommodation centers are certified ISO 27001.

For the other businesses, there are generally a set of documented procedures.

## Internal IT organization

Each company has its own information system (IS), with the holding company linked to a subsidiary located in the same building. Four entities, including the three that are ISO27001 certified, have a dedicated IS Security Manager (ISSM) in addition to their CIO. Each entity has a dedicated Data Protection Officer (DPO) or a person in charge of ensuring personal data are protected.

# 1.6. DEVELOPMENT AND INVESTMENT STRATEGY

## Development strategy

To move significantly faster than the market, NEURONES applies a strategy that revolves around the following points:

- help clients benefit from new technologies by supporting them in particular in the fundamental shift of the digital transformation;
- expand relations with corporate accounts and increase the size of projects the Group handles;
- work with innovative or complementary consulting firms and digital services companies. NEURONES’ organization into autonomous profit centers, with their own operating statements and resources, has accustomed it to dealing with shareholder-entrepreneurs. The Group makes available its tools, structure, databases, dense sales network, financial means and image. It respects the personality of entrepreneurs and their teams and recognizes the distinctive attributes of those who join the Group;
- play an active role in the slow but steady concentration of the sector. The main criteria for partnerships are as follows:
  - growing and profitable companies (or subsets of companies),
  - management has a proven track record,
  - operations increase earnings per share;
- take advantage of the major trend towards outsourcing digital services to acquire a leadership position;
- expand by extending geographical coverage (regions, international). Initially, the Group channeled its efforts into attaining a significant size in its core businesses, in the Paris region. Now, primarily to satisfy clients’ requests, the proportion of the business generated in French regions and outside France has become significant (23% of staff in regions outside of Paris and 13% of staff outside France).

## Investment policy

### Research and development

R&D investments are not centralized, but planned and carried out in each entity. Days spent on technology watches and R&D are not capitalized on the balance sheet.

Since 2009, the Group has conducted a cross-functional review of its R&D activities. In 2020, the eligible research programs generated Research Tax Credits (RTC) of €0.8 million:

(in € millions)	2016	2017	2018	2019	2020
Research Tax Credit	1.2	1.6	1	0.8	0.8

## Financial investments

Since it was listed on the stock exchange in May 2000, the Group has made a number of acquisitions, 11 of which were of a significant size, for a total disbursement of €83 million at December 31, 2020 (net of the

acquired companies' cash and cash equivalents). These investments have so far been largely financed by free cash flow (€332.5 million) generated by operations over the same period.

Financing table* (in millions of euros)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Net profit	3.7	5.4	5.9	4.9	5	6.3	6.6	9.9	13	12.8	14.9	17.0	17.2	21.4	23.6	24.5	29	31.6	29.6	35.2	35	352.5
Amortization and provisions	1.1	1.3	1.9	1.9	1.6	1.1	3	3.3	3.1	4.1	3.9	2.8	5.9	6.7	6.1	7.1	8.1	9.6	8.7	5.4	11.2	97.9
<b>CASH FLOW</b>	<b>4.8</b>	<b>6.7</b>	<b>7.8</b>	<b>6.8</b>	<b>6.6</b>	<b>7.4</b>	<b>9.6</b>	<b>13.2</b>	<b>16.1</b>	<b>16.9</b>	<b>18.8</b>	<b>19.8</b>	<b>23.1</b>	<b>28.1</b>	<b>29.7</b>	<b>31.6</b>	<b>37.1</b>	<b>41.2</b>	<b>38.3</b>	<b>40.6</b>	<b>46.2</b>	<b>450.4</b>
Change in WCR (increase)/decrease	(1.4)	2.5	(1.7)	1.3	0.9	(1.9)	(5.3)	2.1	0.6	(1.3)	(3.3)	(10.0)	(2.5)	(6.2)	0.6	(0.1)	(13.6)	(15)	(5.6)	14.2	16.4	(29.3)
Investments Net industrial investments	(1.0)	(1.2)	(0.9)	(1.1)	(1.0)	(0.9)	(2.2)	(2.6)	(2.3)	(2.2)	(2.8)	(4.7)	(4.4)	(5.5)	(5.3)	(12.8)	(6.7)	(8.9)	(6.9)	(7.8)	(7.4)	(88.6)
<b>FREE CASH FLOW</b>	<b>2.4</b>	<b>8.0</b>	<b>5.2</b>	<b>7.0</b>	<b>6.5</b>	<b>4.6</b>	<b>2.1</b>	<b>12.7</b>	<b>14.4</b>	<b>13.4</b>	<b>12.7</b>	<b>5.1</b>	<b>16.2</b>	<b>16.4</b>	<b>25.0</b>	<b>18.7</b>	<b>16.8</b>	<b>17.3</b>	<b>25.8</b>	<b>47</b>	<b>55.2</b>	<b>332.5</b>
Investments Net financial investments	(8.8)	-	(3.8)	(2.1)	(0.8)	(1.0)	(2.9)	(2.8)	(14.2)	(3.9)	(2.8)	2.9	(1.9)	(1.7)	(2.1)	(12.6)	(5.4)	(7.5)	(3.4)	(6.4)	(1.8)	(83)
Increases of capital, disposals	29.9	-	-	-	0.2	0.8	0.3	0.5	0.1	0.3	0.4	1.1	0.4	0.3	1.5	0.8	1	6.5	0.8	6	(0.4)	50.5
Dividend and other items	(0.1)	(0.2)	-	-	-	(1.2)	(1.5)	(1.5)	(4.4)	(2.6)	(1.7)	(2.4)	(2.0)	(1.9)	(2.3)	1.2	(2.6)	(3.1)	(2.7)	(2.8)	(4.9)	(36.7)
<b>CHANGE IN CASH POSITION</b>	<b>+23.4</b>	<b>+7.8</b>	<b>+1.4</b>	<b>+4.9</b>	<b>+5.9</b>	<b>+3.2</b>	<b>(2.0)</b>	<b>+8.9</b>	<b>(4.1)</b>	<b>+7.2</b>	<b>+8.6</b>	<b>+6.7</b>	<b>+12.7</b>	<b>+13.1</b>	<b>+22.1</b>	<b>+8.1</b>	<b>+9.8</b>	<b>+13.2</b>	<b>+20.5</b>	<b>+43.8</b>	<b>+48.1</b>	<b>+263.3</b>
Cash and cash equivalents at year-end	26.6	34.4	35.8	40.7	46.6	49.8	47.8	56.7	52.6	59.8	68.4	75.1	87.8	100.9	123.0	131.1	140.9	154.1	174.6	218.4	266.5	-

\* Since the company was listed on the stock exchange in May 2000.

## Net capital expenditures

In 2020, "industrial" investments amounted to 7.4 million euros. They primarily concern computer hardware and software (especially for the Group's private clouds), fixtures and Company cars. They were financed by the available cash and cash equivalents.

The Group rents all its premises (36,600 m<sup>2</sup> at December 31, 2020) from outside owners who have no connection to NEURONES shareholders or its subsidiaries.

## 1.7. IMPACT OF THE HEALTH CRISIS

Since the beginning of the first lockdown (March 17 to May 10), almost all service production was carried out by teleworking, thanks in particular to the successful implementation of the business continuity plans, tested over a long period of time and activated immediately, for all recurring managed services contracts.

During the second half of March, the Group was entrusted with assistance missions to help its clients switch to teleworking. During the second quarter, the decline in revenues was limited to -4.9%. The technical assistance and training activities were the most affected. Recurring contracts, with performance commitments, represented a "cushion" of stability.

(in millions of euros)	T1	T2	T3	T4	2020
2020 revenues	135.3	119.1	128.4	141.7	524.5
Growth	+5.1%	-4.9%	+5.5%	+5.3%	+2.8%
Organic growth	+5.4%	-4.9%	+4.9%	+4.6%	+2.6%
Operating profit	9.3%	8.1%	11.7%	10.5%	9.9%

By the third quarter, growth returned to its previous level (+5.5% in Q3, +5.3% in Q4), with even a net increase in staff of 173 (excluding acquisitions) between the beginning and end of 2020. The second lockdown had a much less marked effect on activity: slight but increasing presence on site, getting used to a high rate of teleworking, signing and then starting up a few new contracts, etc.

Short-time working affected 12.5% of the workforce (in full-time equivalents) during the second quarter. It decreased sharply during the summer to represent on average about 3.5% of the workforce during the second half of the year:

(in FTEs)	T1	T2	T3	T4	2020
Short-time working rate	1.5%	12.5%	3.5%	3.5%	5.2%



From March 16 until the end of 2020, teleworking was favored whenever possible, in accordance with the authorities' request and the health protocols in companies. It has remained the primary work method throughout this period. The level of teleworking has remained even higher among clients, which has penalized new projects.

## 1.8. OUTLOOK

### 2021 forecasts

In France, due to the slow rollout of vaccination in early 2021, economic players have been expectant about the return to normal activity. As announced by the Group in November 2020, it is feared that the consequences of the health crisis will be diluted over time and affect several quarters of 2021.

During its presentation of March 4, 2021 to fund managers and financial analysts, NEURONES specified that the Group:

- noted the existence of embedded growth of about 2% (+ 217 people between the beginning and the end of 2020),
- noted that at the end of 2020, approximately 3.5% of the workforce was still on short-time working (in full-time equivalent),
- was conducting a review of the work organization in several of its business units,
- would benefit from a 50% reduction in the CVAE and a further reduction in the corporate income tax rate in France from 28% to 26.5%, leading to an overall tax reduction of €2.7 million.

The factors potentially affecting the market and the company in 2021 (excluding the impact of the Covid-19 crisis) were also mentioned:

#### Favorable factors:

- an economic rebound is expected as we emerge from the health crisis,
- the digital transformation wave represents a sustainable and extensive opportunity,
- the arrival of new technologies normally improves margins,
- innovation is accelerating, as are the risks that cybersecurity is aimed at,
- the Group's risks are spread across specialized, mobile, cost-controlled entities in diversified sectors.

#### Unfavorable factors:

- uncertainties about the timing of the recovery remain high,
- tougher trade relations and competition are possible,
- long sales cycles mean higher pre-sales costs,
- the lack of economies of scale persists in Digital Consulting and Services,
- there are few quality, value-creating "targets" with succession management.

It was also stated that NEURONES' estimates for 2021 will be announced, as usual, when it posts its 1<sup>st</sup> quarter revenues (May 5, 2021).

### Provisional calendar of financial events

#### Shareholders' Meeting:

- Thursday, June 3, 2021.

#### Revenue announcements\*:

- Wednesday May 5, 2021 (1<sup>st</sup> quarter 2021),
- Tuesday August 3, 2021 (1<sup>st</sup> half of 2021),
- Wednesday November 3, 2021 (3<sup>rd</sup> quarter 2021).

#### Profit announcements\*:

- Wednesday September 8, 2021 (1<sup>st</sup> half of 2021).

\* at the close of trading.

## 2 Extra-financial Performance Statement (CSR Report)

### 2.1. BUSINESS MODEL

A client's expectations of a Digital Service Company (DSC) are primarily:

- mastery of the latest technologies and a range of consulting to inform its decisions (evaluation of the return on investment and choice of timing). Currently, the demand is especially strong for the following technologies: Agile methods (Product Owners, Scrum Masters), DevOps in general (including tools), Cloud in all its forms, Big Data and Analytics, infrastructure automation, mobile applications, UX/UI design, cybersecurity and connected devices (IoT),
- the operational availability of human resources trained in the latest tools and their stability,
- the ability to produce managed services with a guaranteed-performance commitment
- a size commensurate with the commitments made.

At the top of the cycle, because of turnover, clients and service providers encounter great difficulty ensuring the stability of project teams. At the bottom of the cycle, digital services companies (DSC) are more likely to be solicited on a global basis, within the framework of contracts with formalized service level commitments.

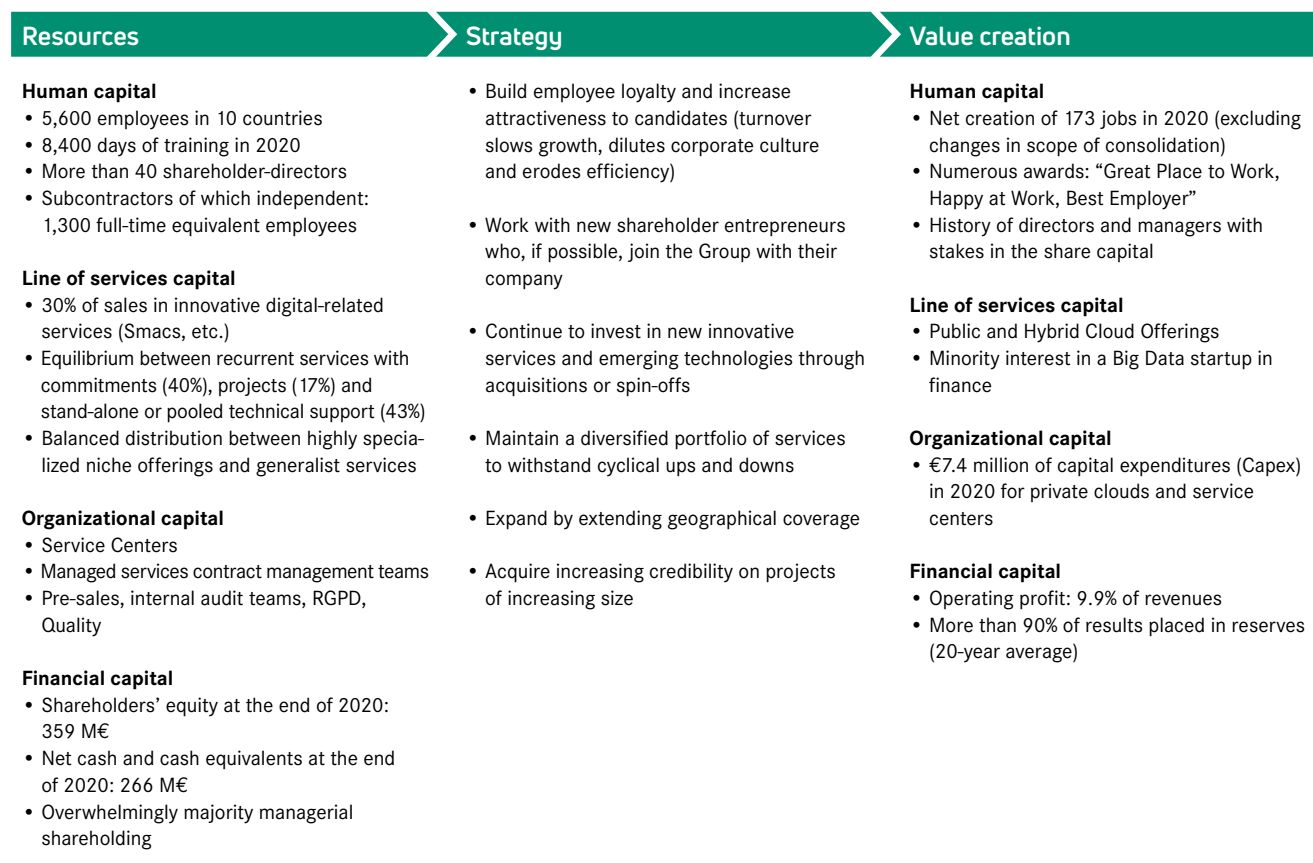
Current trends include the growth of teleworking and the success of freelancing among IT professionals.

A service company devotes as much energy to working on its ability to attract and retain its employees (its number one asset) as it does to satisfying its clients.

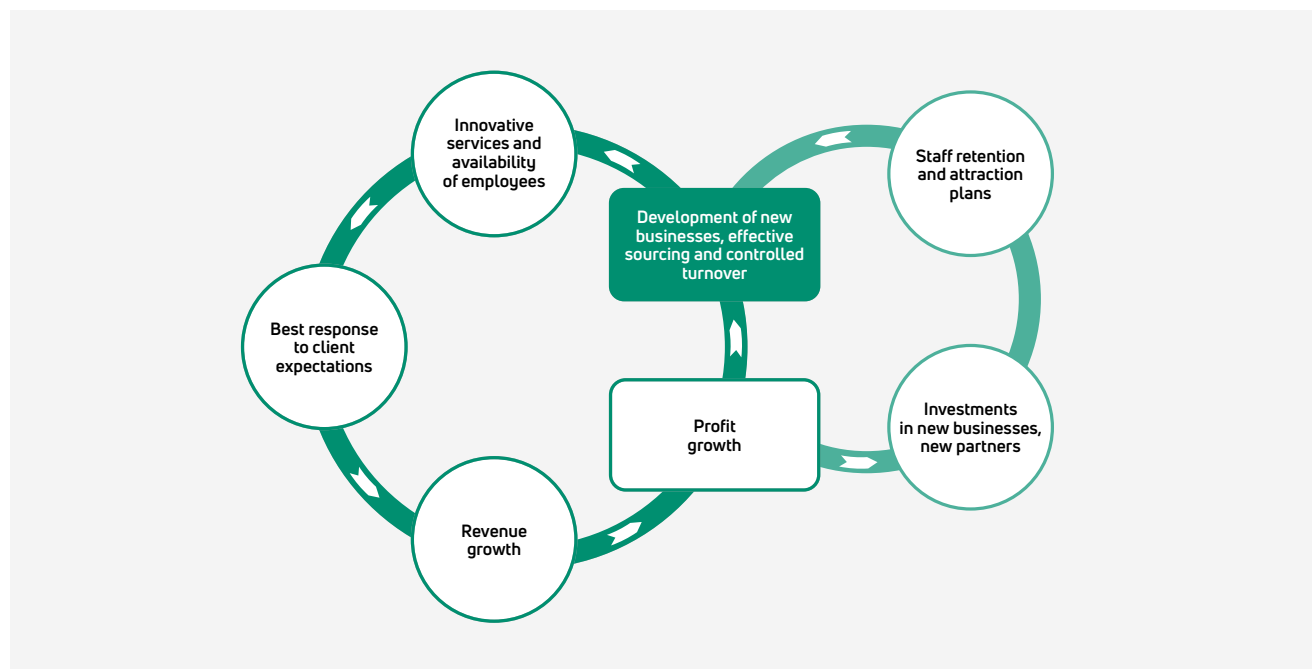
Given its organization in business entities, with bosses who have a stake in the capital, NEURONES also has the particularity of constantly looking for new entrepreneurs who will ensure its long-term growth (through mergers, spin-offs or start-up of new structures). The Group's value creation is illustrated by the diagram on the next page.

The details of the different business lines are described in section "1.3 Activity - Details of business lines" of this report.

NEURONES' business model can be diagrammed as follows:



NEURONES' value creation model can be illustrated as follows:



## 2.2. KEY CSR RISKS IDENTIFIED

The analysis of CSR risks was developed based on the global mapping of NEURONES risks and with the same calculation method (impact in case a risk occurs and probability of occurrence). The Board of Director reviews this document annually, generally during its meeting in September. No new CSR risks emerged during the September 2020 session.

The potential CSR risks identified as priorities are as follows:

- difficulties retaining staff that would materialize in excessive turnover,
- recruitment problems that would be the consequence of a lack of attractiveness,
- departures of key staff in the event of inadequate incentive systems: variable pay, bonus shares, performance shares,
- training gaps (impact on turnover and attractiveness),
- absenteeism too high (warning signal of turnover).

For priority risks, key performance indicators (KPIs) have been defined. They are labelled **KPI** in the remainder of the text.

The following potential CSR risks were deemed as important, but are not among the main risks:

- ethics, prevention of corruption,
- health and safety,
- insufficiently proactive attitude on the following themes: gender equality, diversity, welcoming people with disabilities, sponsorship actions (lack of response to the need for meaning in professional life with, ultimately, an impact on turnover),
- insufficient dialogue between management and employees (impact on turnover and attractiveness, potential labor movements),
- poor anticipation on following themes: carpooling, use of non-polluting transport, selective sorting, lack of response to the need for meaning in professional life with, ultimately, an impact on turnover,
- too much commuting between home and work,
- insufficient attention paid to data centers' consumption.

Because of its consulting and digital services activity, NEURONES did not deem the following themes represent a material challenge:

- animal welfare,

- responsible, equitable and sustainable food supply,
- fight against food waste and food insecurity.

## 2.3. CSR STRATEGY

### Governance

A Sustainable Development Committee leads the Group's CSR initiative. This nine-member committee reports to the administrative and financial director and has the following responsibilities:

- pass on ideas for projects,
- select programs,
- for each of the projects selected: choose indicators, define their initial and target value,
- regularly review the progress made (continuous improvement),
- monitor developments in CSR,
- manage the selected indicators over time.

Subsidiaries that have their own CSR approach exchange information with the Sustainable Development Committee, which draws on their best practices. The Committee met by videoconference to discuss the 2020 Statement of non-financial performance.

### History

**2010:** first signatures of the Diversity Charter (five entities are signatories to date) and the UN Global Compact (two entities are signatories).

**2011:** NEURONES is included in the Gaia Index. Launched in 2009 with the backing of the SFAF (French financial analysts society) and Middlednext, this index ranks the 70 listed French companies that obtained the best non-financial ratings out of a panel of 230 issuers. Since it entered the index, NEURONES has always been part of it.

**2012:** creation of the Sustainable Development Committee, first CSR report.

**2013:** verification of the report by an external third party (Kpmg).

**2014:** monitoring of data centers' electrical power consumption is implemented.

**2016:** NEURONES signs the UN Global Compact

**2017:** implementation of the corruption prevention mechanism (Sapin II Law), in particular a Code of Conduct.

**2018:** the CSR report evolves and becomes the Statement of Non-Financial Performance (SNFP).

**2020:** new internal employee survey on home-workplace travel (1<sup>st</sup> edition: summer 2015). Group's carbon footprint calculated and deposited on the Ademe website. The Group's consulting firm becomes an "entreprise à mission" (purpose-driven company).

## 2.4. EMPLOYEE RELATIONS POLICY

### Staff

Over the last ten years, the number of employees (at the end of the fiscal year) has increased by almost 80%:

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
3,471	3,704	4,065	4,082	4,580	5,044	5,028	5,160	5,372	5,589

In France, 93% of the staff have permanent employment contracts. The remaining employees have fixed-term contracts, primarily professionalization and apprenticeship contracts. Part-time workers (1.3% of employees) are counted as one person.

Employees are distributed geographically as follows: Ile-de-France 64%, regions 2% and international 13%. The social figures below are calculated on the total perimeter of the Group, unless it is specified that it is a smaller perimeter ("France" or "Sage").

To enable its employees to enjoy a stimulating environment, NEURONES endeavors to apply the best practices of sound HR policy and measure the effects.

### Active recruitment policy

The number of new employees (permanent + fixed-term contracts, excluding acquisitions and disposals) changed as follows:

KPI	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1,400	1,240	1,248	1,142	1,647	1,695	1,857	2,012	1,904	1,612

Recruitment procedures include, for example:

- technical multiple-choice questions for each specialization,
- at least one technical interview, where relevant,
- at least one personality interview.

At the end of 2020, 80 young people were working under a professionalization contract and 122 were doing an apprenticeship. In the course of 2020, we received 131 people doing internships.

### Turnover

In 2020, staff turnover (number of resignations in the year compared to the average workforce for the year) was 11%, with the first quarter at 15% and the following three quarters at 10%. The latter figure corresponds to a low point in the cycle. Following the health crisis, it is likely that turnover will rise rapidly. Pressure has remained high on highly sought-after profiles such as cybersecurity, cloud and devops.

KPI	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	16%	14%	11%	13%	13%	13%	17%	20%	16%	11%

Actions to retain and increase the attractiveness for candidates have been maintained as far as possible and will be expanded once the health crisis is over:

- training actions maintained at 8,400 trainee days, using in particular the systems implemented during the lockdowns and curfews,
- relocation of some entities to more easily accessible locations and buildings with services (sports halls, concierge services, etc.),
- creation of "lounges", rest areas and a Group multimedia room to increase well-being at work,
- increased presence on social networks and blogs (increase in community management) and development of employer brands: "Welcome to the Jungle" films, followed by Glassdoor ratings and recommendation rates, number of Twitter subscribers, Facebook "likes", etc.,
- freeze employee events for health reasons: afterwork events, running, sea outings on a Multi 50 trimaran, inter-entities futsal (indoor soccer) tournament, etc.,
- fewer levels of authority, favoring initiatives and accountability, and
- attempts to satisfy young graduates' "need for meaning": higher environmental requirements and skills sponsorships.

It should be noted that two-thirds of the Group's employees work in the Paris region, where turnover is traditionally higher than in other regions of France.

The change in arrivals/departures is as follows:

Detailed trend in staffing figures	2016	2017	2018	2019	2020
New hires	1,695	1,857	2,012	1,904	1,612
<b>Changes in consolidation scope:</b>					
Acquisitions	131	14	-	-	44
Disposals	-	185	13	32	-
<b>Departures:</b>					
Resignations	654	867	1,050	837	614
End of trial periods	246	298	321	257	285
End of fixed-term, apprenticeship and prof. contracts	182	243	231	234	261
Mutual-agreement terminations	136	150	133	155	100
Layoffs	133	128	114	143	157
Miscellaneous	11	16	18	34	22
<b>Total departures</b>	<b>1,362</b>	<b>1,702</b>	<b>1,867</b>	<b>1,660</b>	<b>1,439</b>
<b>NET CHANGE IN THE WORKFORCE</b>	<b>464</b>	<b>-16</b>	<b>132</b>	<b>212</b>	<b>217</b>

### Working hours

More than 98.7% of the workforce in France work full time. Most part-timers are 4/5<sup>th</sup>. For example, only 0.6% of the workforce has a working time of less than 80% of a full-time employee. Under the Syntec collective bargaining agreement (with the exception of the training entity), employees are entitled to a number of RTT days, depending on the subsidiary that employs them and their position: non-managerial staff and ETS, managerial staff on assignment, managerial staff on fixed-price contracts.

### Teleworking

At the beginning of 2000, 170 Group employees were regularly teleworking 20% of their time (general case) or more.

Starting with the first lockdown (March 17, 2020), teleworking was almost universal. After the end of the first lockdown (May 10), it remained in the majority until the end of the year and was favored wherever possible.



Once the health crisis is over, teleworking should increase structurally. Depending on the business segment, forward-thinking has been initiated on possible new organizations. The Group has been able to draw from this period information on the evolution of teleworking productivity for functions where it is measurable. To date, no amendments have been made to teleworking agreements or charters.

## Use of partial activity

In France, the use of short-time working concerned 13% of the workforce (in full-time equivalents) during the first lockdown. It then gradually declined to an average of 3.5% from August to December.

## Compensation

Compensation evolves based on employees' profile, experience and occupation. They include variable portions where relevant and may be supplemented by incentive and profit-sharing programs.

In 2020, total gross compensation rose by 5.5% to €215.4 million (€204.2 million in 2019), after restatement of gross compensation paid and allowances received for short-time working. This amount includes fixed and variable pay, and provisions for paid leave and RTT leave. It does not include the social security contributions paid by the employer, nor statutory and optional profit sharing, the employer's contribution to meals and public transport passes, occupational health services, payments to works councils or, of course, the fees paid to subcontractors.

At 5,451 in 2020 (5,211 in 2019), the average workforce is up 4.6%. The average gross salary came to €39,500 per year (€39,200 in 2019), up 0.7%.

## Continuous in-house training

Training actions are decided by each subsidiary. They primarily concern advanced technical training, but also management and language training courses. A particular effort was made on new technologies related to digital transformation (DevOps, Ansible, Terraform, Python, etc.).

The Group has the opportunity to use its specialized entity to develop skills. One of the main players in France, and authorized by the largest vendors to issue qualifying certifications, this training center carries out a significant part of the Group's technical training activities, including training future employees during long courses.

The proportion of training courses using online platforms is growing rapidly.

Training plan (days x participants):

KPI	2016	2017	2018	2019	2020
	8,600	9,100	10,800	9,900	8,400

Training eligible for continuing vocational training in France and similar actions carried out internationally. Online training not included. 58,800 hours in 2020 (i.e., 8,400 days x 7 hours).

## Actions designed to develop loyalty among senior managers and key managers

Since 1999, six NEURONES stock option plans and eight bonus share programs have been implemented. Since 2015, nine subsidiaries launched bonus-share plans with their own shares. Those due to expire in the near future concern approximately 2% of the Group's workforce.

The expense related to bonus share plans in the consolidated financial statements is as follows (in thousands of euros):

KPI	2016	2017	2018	2019	2020
	1,185	2,000	1,236	1,176	2,008

NEURONES and subsidiary plans.

## Active in-house communications

Each line-of-business subsidiary has its own in-house communication tools (Intranets, corporate social networks, in-house newsletters or magazines, briefing meetings or recreational gatherings), in addition to which there is the Group's in-house magazine ("Talents") and formal welcome and presentation sessions for new hires. All the tools aim to integrate, and inform staff, to prevent anonymity and to foster exchanges.

## Well-balanced average age

At the end of 2020, the average age of our team members was 36.1 years (35.7 years at the end of 2019), broken down as follows:

Workforce breakdown by age bracket	2016	2017	2018	2019	2020
less than 25 years	8%	8.5%	10%	9.5%	9%
25 to 29 years	21.5%	20.5%	20%	21%	21%
30 to 34 years	22.5%	21%	20%	21%	19.5%
35 to 39 years	18%	19%	18%	16%	16%
40 to 44 years	15%	14.5%	14%	13%	14%
45 to 49 years	8.5%	9%	10%	10.5%	10%
50+ years	6.5%	7.5%	8%	9%	10.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>AVERAGE AGE</b>	<b>35.7</b>	<b>36</b>	<b>35.7</b>	<b>35.7</b>	<b>36.1</b>

Company-wide agreements and action plans for employees over the age of 50 were introduced at the end of 2009. They have borne fruit since, at the end of 2020, the proportion of people aged 50 and over has increased regularly and now represents 10.5% of the workforce.

## Diversity

NEURONES wishes to promote diversity in its teams in the widest possible sense (gender, age, origin, handicap, etc.) to be more innovative, more efficient and more competitive. Four Group entities have signed the Diversity Charter. Concerning the staff in France, 10.2% of employees are non-French nationals, representing 66 different nationalities:

	2016	2017	2018	2019	2020
% foreigners	8.6%	9.3%	9%	9.9%	10.2%
Number of nationalities represented	53	63	61	67	66

"Sage" scope.

The entity dedicated to supporting users has integrated into its recruitment procedures various measures aimed at guaranteeing equal opportunities for all applicants (Saphir method).

Various entities organize training courses open to people wishing to retrain in the digital sector, in particular as part of the Individual Operational Preparation for Employment (POEI) scheme. These initiatives promote diversity of profiles and career paths within the Group.

## Gender equality

Although women are not well represented in engineering schools' IT courses, they make up 20.6% of the NEURONES' workforce in France ("Sage" scope). In the framework of the law on real gender equality, the Group's entities in France publish every year before March 31 their

gender equality index (maximum value of 100, with the need to implement a multi-year action plan if the index is less than 75 three consecutive years):

	2020 index	Calculation date
1 entity with more than 1,000 employees	88	March 1, 2021
1 entity with 250 to 1,000 employees	87	March 1, 2021
11 entities with 50 to 1,000 employees	85 (average) 75 (minimum)	March 1, 2021

In the Consulting division, parity between men and women is generally respected, both in terms of staff numbers and compensation.

Internationally, the proportion of female employees is higher than in France (Romania: 65%, Tunisia: 50%, Singapore: 50%).

## Handicap

The Group is striving to be more “handicap-friendly” and has 1.44% (end 2020) of employees with disabilities in its workforce. This proportion, which is increasing, is insufficient.

In agreement with the clients concerned, GMEs (Groupements Momentanés d'Entreprises / Temporary Business Groups) associating NEURONES and partners from the protected and special facilities employment sector (Atimic, Arcesi, etc.) were set up for recurrent managed services contracts. At the end of 2020, they will enable us to call on six employees from these establishments specifically set up to work with disabled staff (Entreprises Adaptées) on Group contracts.

In addition, purchases from AEs and ESATs (establishments specifically set up to work with disabled staff) amounted to €151,000 in 2020.

## Labor-management relations

In France, there is regular dialog with the employee representative bodies (CSE members, employee representatives, Trade union representatives and Group Committee members). Because of the Group's decentralized structure built around line-of-business subsidiaries, there are many collective agreements. For the two largest entities (65% of the workforce), the following agreements are in force: night work and on-call duty, teleworking, 35-hour week, profit-sharing, company savings plan (PEE). Every year the entities concerned organize the Mandatory Annual Pay Negotiation (NAO) process, which results in an agreement, a partial agreement or a disagreement.

Consideration is being given to possible amendments to existing teleworking agreements.


### Company-wide agreements

The service desk entity has specific complementary agreements in place. Employees who donate blood are entitled to two half-days per year of paid absence. Two additional days of paid leave for sick children are provided for employees who are parents of a disabled child. The “right to disconnect” has been clarified. The following agreements have also been set up: the regional fuel bonus, the meal voucher subsidy, the increase in the Company Works Council's social and cultural activities budget and the start of the 4-day workweek trial.

In Tunisia, a staff consultation commission has been created. This joint labor-negotiations commission is made up of two Company representatives and two elected staff representatives. A staff representative has been appointed in Romania. In Singapore (51 employees at the end of 2020), there is no employee representation structure (no legal framework).

## Health and safety at work

In France, the Occupational Health and Safety Committees (OHSC) of the various Group entities meet at regular intervals as required by law. They map the professional risks and take preventive measures (information, signage and drills) in close cooperation with the occupational health service. Awareness building workshops on workstation ergonomics are organized regularly. Different psycho-social risk prevention measures were also taken: training of middle management, strengthening procedures for isolated workers. In tertiary businesses, the main known risk remains road accidents (especially for employees riding two-wheeled vehicles) with private or company vehicles (commuting or business travel).

Indicators	2016	2017	2018	2019	2020
Absenteeism rate* 	4.8%	4.3%	4.7%	5.2%	5.9%
Number of accidents at work resulting in lost time (one day or more)	29	39	56	62	36
Number of days off correspondents	664	811	1,353	735	1,009
Lost-time injury frequency rate (number of occupational lost-time accidents per million hours worked)	4.7	7.2	8.9	9.5	5.3
Lost-time injury severity rate (number of days of paid sick leave per thousand hours worked)	0.11	0.15	0.21	0.11	0.15

\* Number of days absent (illness, medical leave, accidents at work and on the way to work, sick leave for children, relocation and family events, maternity and paternity leave, unpaid and administrative absences) in relation to the theoretical number of working days. All the data in this table correspond to the “Sage” scope. Absences, spanning two fiscal years, are not included in the calculation of the absenteeism rate.

## Promotion of and compliance with ILO (International Labor Organization) conventions

NEURONES is committed to abiding by the ILO Declaration on Fundamental Principles and Rights at Work. This declaration concerns the national and local labor regulations on the following subjects; minimum age for entering the workforce, the refusal of forced or compulsory labor or abusive disciplinary practices, non-discrimination, freedom of association and the right to collective bargaining, working hours, pay, health and safety.

In Tunisia, Romania and Singapore the weekly workweek is 40 hours. In these three countries, the employees benefit from supplementary health insurance financed by the Group. The youngest employees are 20 years old, as in France.

## Prevention of corruption

Since June 1, 2017, NEURONES has implemented the eight measures provided for by the Sapin II law concerning the fight against corruption and influence peddling. In particular, a code of conduct has been disseminated and integrated in the policies and procedures of the Group entities. An internal warning system has been created with a specific email address distributed to all staff. This email address is shown on the contracts signed with subcontractors and other suppliers, as well as on certain client contracts. A risk map has been drawn up and an e-learning system has been developed. Every year, the Ethics and Compliance Committee presents the Board of Directors with a progress report on the approach and a report on any alerts.

## Fight against tax evasion

For each Research Tax Credit (CIR) application, a specialized firm checks its eligibility beforehand and afterwards all the documentation produced.

Each time a foreign subsidiary is created, NEURONES, assisted by a leading specialized firm, defines and documents the rules used to fix the internal transfer prices.

## 2.5. COMMUNITY POLICY

NEURONES is keenly aware of being part of an ecosystem of stakeholders with whom it is duty-bound to establish balanced, ethical, law-abiding and motivating relations. The Group owes its past and future achievements to: its staff, clients, subcontractors and other suppliers, editors, manufacturers, schools, the French government and local authorities, civil society and shareholders.

### CSR service lines

Several of the Group's activities contribute indirectly to sustainable development objectives. These include:

- the numerous BPM and projects to switch to paperless processes for incoming and outgoing documents,
- consulting missions in utilities related to the low-carbon transition,
- the development, for a major oil company, of an application to make its employees aware of their carbon footprint: questionnaire, rating and recommendation, "challenge",
- the development of an ESG (Environment Social Governance) scoring application for asset managers.

Eventually, NEURONES intends to measure the "green share" of its revenues, by aligning itself with the European Union classification (green taxonomy breaking down activities into three colors: brown, neutral and green).

### EcoVadis score

EcoVadis is a French SME set up in 2007 to develop responsible purchasing solutions. It helps purchasing departments assess their suppliers' "sustainable development" performance. At the request of several of its clients, NEURONES responds annually to questionnaires from this company.

### Subcontractors and suppliers

In 2020, purchases of subcontracted services amounted to €127.5 million, or 24.3% of revenues, a ratio that is steadily increasing and is probably slightly above the average of our major counterparts.

The Group strives to make responsible purchases. External contributors, integrated into NEURONES teams, are considered in the same way as internal employees. Self-employed contractors enjoy special payment terms: their invoices are paid at 30 days end of month.

In ISO 9001-certified subsidiaries, subcontractors who exceed certain service volume thresholds are assessed formally. These subcontractors are made aware of CSR and part of their score depends on it.

### Relations with educational establishments

Attracting talent is a key issue for NEURONES, which continues to invest in building its reputation and becoming an employer of choice. Within this framework, the development of relationships with a defined group of schools and universities is at the heart of its strategy:

- the Group uses the apprenticeship tax to finance target schools,
- it runs various initiatives to support students and recent graduates (seminars, forums, job interview practice sessions, resume workshops, sponsorship, etc.),
- it spots and hires interns, apprentices and recent graduates.

In France, the Group primarily channels its apprenticeship tax to the following schools: Centrale Lille, Ece, Efrei, Em Strasbourg, Ensiee, Epita, Esg Management School, Esiea, Esiee, Esigotel, Esilv, Ingessup, InTechInfo, Isep, Itic, Mines d'Alès, Mines de Paris, Supinfo, Telecom Paritech and Utc Compiègne.

### "Great Place to Work", "Happy at Work", "Best employer 2020"

One company of the Group has been awarded 7 times (2012, 2013, 2015, 2016, 2017, 2018, 2020) the "Great Place to Work" label ("a great place to work is a place where you trust your managers, you are proud of your work and you appreciate your colleagues" - Robert Levering, co-founder of "Great Place to Work"). In 2020, it is also part of the "Great Place to Work for Women" list.

In 2020, three more companies were awarded the "Happy at Work" or "Best Employer" labels.

### Volunteering with civil society

Initiatives are encouraged from associates and employees who wish to get involved in their local environment or with associations (Handigolf, co-financing a skipper for the "Route du Rhum", etc.) and give their time and creativity.

Indicator (in € thousands)	2016	2017	2018	2019	2020
Budget devoted to partnerships and sponsorships	130	72	158	270	233

Skills sponsorships, a scheme that was established by the French Aillagon law in 2003, allows a business to delegate staff members to work for public-interest non-profit associations during their working hours on an occasional basis, either free of charge or at a discounted rate.

In this mode, the Consulting division supports two associations:

- the first one assists social entrepreneurs scope and implement their projects (consultants coach entrepreneurs),
- the second one supports young people from disadvantaged neighborhoods in their search for their first job (mentoring by experienced employees).

### "Non-profit" consulting firm

Drawing on the success of the skills sponsorship, the Group Management Consulting firm helped create a non-profit structure devoted to supporting associations, along with three fellow companies. Since then, every year this "non-profit" firm has had several full-time consultants for about 6 months.

### "Entreprise à mission" (purpose-driven company), B Corp certification

The Group's consulting firm has become an "entreprise à mission" (purpose-driven company), a possibility opened up by the Pact law. In its by-laws, it has declared its purpose through several social and environmental objectives. In addition, it is aiming for a B Corp (Benefit Corporation) certification, which distinguishes companies that reconcile profit and collective interest (about a hundred companies were certified in France by the end of 2020).

### Personal data security

The Group works on client applications that manage personal data (bank or health related data, email in-boxes, etc.) In most cases, it undertakes contractually to ensure the confidentiality and integrity of this data. Pursuant to the legislation in force, the internal procedures define the security rules and set out the rare cases where a Group employee is entitled to access personal data.

Since May 2018, the Group applies Europe's General Data Protection Regulations. These also concern client and employee (CRM) data.

## 2.6. ENVIRONMENTAL POLICY

As part of its social and environmental responsibility approach, NEURONES has thought about its impact on the environment and the best ways to reduce it. In this area, it is a matter of measuring and then acting.

### Carbon footprint

The Group published its 2019 and 2020 carbon footprint on the Adème website (Agence de l'Environnement et de la Maîtrise de l'Energie / Environmental and Energy Control Agency), which shows the following proportions for each type of emission:

Scope*	Emission types	2019	2020
1	Group-owned gasoline vehicles	6%	6%
2	Electricity for premises excluding data centers	8%	12%
2	Electricity in data centers	9%	15%
3	Power for employees	25%	38%
3	Internal IT (including paper)	3%	4%
3	Internet, Cloud services, SaaS	4%	6%
3	Outgoing mail	n.s.	n.s.
3	Business travel (mileage allowance, plane, train, cab)	3%	3%
3	Commuting to work (car, public transport)	42%	16%
3	Waste	n.s.	n.s.
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
	Total metric tons CO <sub>2</sub> equivalent	8,708	5,958
	metric tons CO <sub>2</sub> equivalent per employee	1.61	1.09

\* Ademe classification by type of greenhouse gas emissions: direct emissions (scope 1) indirect energy emissions (scope 2), other indirect emissions (scope 3).

The carbon footprint for 2019 is more representative of “normal” business activity. In 2020, some emissions have declined due to massive telecommuting.

Even if the action plans aim above all to limit gross emissions, 32 trees per employee per year would have to be planted to “offset” NEURONES' emissions (source Ecotree: 20 trees to be planted per metric ton of CO<sub>2</sub> equivalent).

The carbon footprint will be progressively refined, with the aim of calculating carbon footprints per contract.

### Reducing the cost of travel (business, home-work commuting)

On a common scale (metric tons of CO<sub>2</sub> equivalent) and in a “normal” year (without lockdown or curfew), fuel consumption related to travel (business, home-work commuting) is four and a half times greater than electricity consumption for buildings and data centers. Commuting to and from work is the largest source of CO<sub>2</sub> emissions for the Group.

NEURONES has therefore:

- started systematically using “place of residence” data in its project team allocation systems. This means that, as far as possible, it recruits in labor market areas close to its service centers to limit daily commutes,
- since 2007, Eco2 service vehicles emitting less than 120 g of CO<sub>2</sub> per km have been preferred,
- set up a car-sharing system (at the Angers service center),
- encouraged and facilitated the various videoconferencing systems.

Indicator	2016	2017	2018	2019	2020
Corresponding issues commuting to and from work by car or motorbike (in metric tons CO <sub>2</sub> equivalent)	3,295	3,395	3,471	3,163	922
Emissions from NEURONES' vehicle fleet (in metric tons CO <sub>2</sub> equivalent)	464	478	470	516	376
Emissions for work travel reimbursed on expense accounts (in metric tons CO <sub>2</sub> equivalent)	209	245	220	206	117

Scope: France. The rate of employees in the Greater Paris region using public transport was not reassessed in 2019.

2020 was very atypical. It was noted that during the year 75% of employees were teleworking or on short-time working.

The downward trend in emissions from commuting to and from work is explained by the decrease of about 10% (in four and a half years) in the use of cars and motorcycles in favor of public transport, a decrease highlighted by the survey below. The distances travelled have not changed significantly.

The breakdown of employees' place of residence in the Paris region (70% of total employees) is as follows:

Ile-de-France Department	92	75, 78	77, 91, 93, 94, 95
% place of residence by department	20%	15%	10% on average

It has been found that it is more efficient to locate business premises close to employees' homes and public transport than to make buildings more energy efficient, even if these two approaches are not mutually exclusive.

### Carpooling project and cyclist bonuses

For several years, the Angers site has encouraged carpooling. Parking spaces in the vicinity of the offices are reserved for employees who undertake to use this mode of transport. This system currently involves about 15 pairs (30 people). Furthermore, a bonus was paid to some 40 employees who commute to work by bicycle.

To evaluate consumption corresponding to commutes from home to and from work, the most recent internal survey (January 2020, France scope, 1,350 respondents, namely 30% of the French workforce) on the modes of transport used provides the following information:

Mode of transport for work commute	Greater Paris region	Other French regions	Total France
Public transit	63.8%	29.7%	55.8%
Car	25.9%	53.8%	32.4%
Motorbike	6%	3.1%	5.3%
Walking	2%	7.7%	3.3%
Cycling	2.1%	5.7%	3%
Carpooling	0.1%	0%	0.1%
Working from home	0.1%	0%	0.1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Scope: France.

For journeys by car or motorbike, the survey found that an employee travels an average of 27 km (one way) and that the average consumption of personal cars and motorbikes is 6.5 liters/100km (declared).



The same survey was conducted in July 2015. In four and a half years, the use of cars and motorcycles has decreased by about 10%.

The consumption of the 247 vehicles in NEURONES' fleet was calculated based on an average consumption per vehicle of 6 liters/100 km and 15,000 km traveled per year. For business travel, 1,900 km are reimbursed on average per year and per employee concerned. Consumption for visitor travel and public transit was not estimated.

### Videoconferencing and remote job-applicant interviews

In 2020, almost all job-applicant interviews were conducted remotely (Teams, Skype) and this practice will remain prominent beyond the current health crisis. We also use video-conferencing (Polycom, Webex and Chromebox for meetings, etc.) to improve the quality of remote meetings and avoid travel.

### Adoption of a lower CO<sub>2</sub> emitting diet

Food is the second largest source of CO<sub>2</sub> emissions. Raising employees' awareness to adopt a diet that emits less CO<sub>2</sub>, for example less meat, is done indirectly by the companies that manage the inter-company restaurants frequented by the employees.

### Energy efficiency of buildings

Low-energy consumption systems have been installed, such as lighting, individually-adjustable energy-efficient air conditioning, presence detectors, etc.

Indicators	2016	2017	2018	2019	2020
Electricity consumption per m <sup>2</sup> and per year (excluding data centers) (in kWh/m <sup>2</sup> )	133	124	N/A	N/A	N/A
Surface used (in m <sup>2</sup> )	27,500	31,100	33,200	34,900	36,050
CO <sub>2</sub> emissions (in metric tons CO <sub>2</sub> equivalent)	496	522	557	585	708

Electricity consumption per m<sup>2</sup>, estimated since 2018, is based on that measured in 2017. Use of the Ademe emission factors. In France, a MWh corresponds to 82 kg of CO<sub>2</sub>. In Tunisia, at 463 kg of CO<sub>2</sub>. In Romania, at 413 kg of CO<sub>2</sub>. In Singapore, at 499 kg of CO<sub>2</sub>. In Germany, at 461 kg of CO<sub>2</sub>.

The French average for tertiary buildings would be 211 kWh/m<sup>2</sup> (source: Club des Acteurs du Développement Durable). The consumption of teams on client premises (which was not possible to calculate) is considered as being managed by the clients.

### Standby mode for computers at night and on weekends

A novel system for turning off workstations has been installed in all service desk centers (Nanterre, Angers, Marcq-en-Barœul, Nantes, Lyon, Tunis, Timisoara). It uses a "home-made" script rather than the standard Windows GPO tool to put machines in standby mode. Users readily accepted the system because it enables a rapid workstation start-up in the morning (4 seconds), unlike the standard systems (a matter of minutes).

### Electricity consumption of "green IT" data centers

Electricity consumption per m<sup>2</sup> in a data center is usually fifty to one hundred times greater than that of conventional tertiary offices.

The Group has gradually transferred the servers managed in its own data centers to "simple hosting" specialists. As such, most servers are now located at five "Tier 3+" certified partner hosting companies in ten different data centers (eight in France, two in Tunisia).

CSR criteria have been integrated and led to the selection of different hosting subcontractors providing effective PUE (Power Usage Effectiveness – see glossary) ratios in the target range of 1.4 to 1.5 (at full load, with average weather during the year). NEURONES strives to give priority to latest generation data centers, which normally offer better PUEs, and seeks to regularly increase the load factors of its cabinets.

Indicators	2016	2017	2018	2019	2020
Number of cabinets "switched on" (entire Group)	161	227	210	186	189
Real average power per cabinet (in kW)	2.44	2.56	2.69	2.78	3.11
Average PUE	1.66	1.67	1.65	1.67	1.64
Total consumption (after CPUE) (in MWh)	5,705	8,504	8,172	7,552	8,576
CO <sub>2</sub> emissions (in metric tons CO <sub>2</sub> equivalent)	588	858	830	779	864

Use of the Ademe emission factors. In France, a MWh corresponds to 82 kg of CO<sub>2</sub>. In Tunisia, at 463 kg of CO<sub>2</sub>. The data centers managed in Ivory Coast on the client site are not counted.

The Group asked its various hosts for assessments of their CPUE on a center-by-center basis. The latter did reply in writing, but in a rather approximate manner. The estimated consumption of the data centers is therefore presented for information purposes.

### Recycling: paper, computer workstations, ink cartridges

The recycling of consumables (printer toners, electric batteries, etc.) has been in place for several years. Consistent with the current rules (concerning Electric and Electronic Equipment Waste), at the end of its life computer hardware is sold to accredited brokers or given to associations (like "la Gerbe").

Furthermore, printers and copiers are set up to print two-sided in black and white. Growing use is made of digitized archiving, especially by sales administration and accounting teams, rather than hard-copy files. The use of networked scanners, which is becoming widespread, contributes to the drop in the number of photocopies. All of these actions reduced the printing volumes by 60% in 5 years. The significant decrease in 2020 is explained by the massive use of teleworking:

Indicators	2016	2017	2018	2019	2020
Quantity of paper consumed per m <sup>2</sup> per year (in g/m <sup>2</sup> )	447	384	311	239	159
Emissions de CO <sub>2</sub> (in metric tons CO <sub>2</sub> equivalent)	11	11	9.5	7.5	5.2

Paper in A4 or A3 format. Some sites have reported the quantities purchased and not consumed.

### Waste sorting

An entity of about a hundred employees carries out selective sorting (with the association "le Cèdre") on three channels: paper-cardboard, cans and cups. The entity with the most employees is gradually expanding the use of mugs, thereby saving 90,000 single-use paper cups per year for 3 sites and 530 employees. The use of paper cups has become widespread in the vending machine fleet.

## 2.7. METHODS USED

### Reporting scopes

Three scopes have been defined for producing detailed indicators:

- the so-called “Sage” scope covering the subsidiaries in France (all but three) managed in Sage’s HR software (i.e., 81.5% of the workforce),
- the “France” perimeter covering 87% of the workforce,
- the entire Group scope (“Group”).

Indicators were produced for the following scopes:

- “Sage” scope: percentage of permanent employment contracts (CDI), average age, breakdown by age bracket, percentage of senior employees and of non-French nationals, number of nationalities, gender breakdown, percentage of full-time jobs, rate of absenteeism, lost-time injury frequency and severity rates and proportion of employees using public transport,
- “France” scope: number of apprenticeship contracts, professionalization contracts, internships, proportion of disabled employees, purchases from organizations set up to work specifically with disabled staff, number of school job fairs, sponsorship and fuel consumption,
- “Group” scope: staff, arriving/departing employees, turnover, payroll, average salary, subcontracting purchases, training hours and days, sponsorship and partnership budgets, energy consumption in offices and data centers and weight of paper consumed per m<sup>2</sup> of office space.

Departures broken down by reason for departure (resignations, dismissals, etc.) are available in detail in the “Sage” scope. An extrapolation to the entire Group was made from this breakdown.

For training days, data could be collected for 99% of the workforce.

The definition of absenteeism has been modified by adding certain absence headings to the numerator (medical leave, maternity, paternity, commuting accidents, relocations, unpaid leave, administrative leave). Historical rates have been corrected to be comparable.

Energy consumption in the data centers was obtained from the available data, which differed according to the infrastructures concerned:

- for data centers belonging to the Group, which have become a very small minority, estimates of kWh consumed based on PUE,
- for third-party hosting companies, the average power in kW per cabinet before PUE. By 2015, the four major hosting providers had also produced written assessments of “Target CPUE” on a center-by-center basis. These assessments were used in this report.

The regional, economic and social impact of the business and the recycling of Waste Electrical and Electronic Equipment (WEEE) were analyzed for the France scope.

### Sources and tools used

The indicators of the “Sage” perimeter are taken from the common HR system. The “France” and “Group” scope indicators come from an annual consolidation of each subsidiary’s non-integrated accounting and CSR data.

### Consolidation and control methods

A common reference guide (methodological guide with an explanatory sheet per indicator) was sent to the CSR reporting manager for each subsidiary. The Group finance department compiles the results.

## 2.8. AUDITOR'S REPORT

*Report by one of the statutory auditors, designated as an independent third party, on the Consolidated Extra-Financial Performance Statement.*

Year ended December 31, 2020

To the shareholders,

In our capacity as statutory auditors of your company (hereafter "entity") designated as an independent third party organization, accredited by the COFRAC Inspection under number 3-1141 (scope of accreditation available on the website [www.cofrac.fr](http://www.cofrac.fr)), we hereby present our report on the consolidated extra-financial performance statement for the year ended December 31, 2020 (hereafter the "Statement"), presented in the Group's management report in accordance with the legal and regulatory provisions of Articles L.225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### 1. Company's responsibility

It is the responsibility of the Board of Directors to prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement was established by applying the entity's procedures (hereafter the "Reference Bases"), whose significant items are presented in the Statement.

### 2. Independence and quality control

Our independence is defined by the provisions set out in Article L. 822-11-3 of the French Commercial Code, the code of ethics of the profession and the provisions of the ISO 17020 standard. In addition, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules, professional doctrine and ISO 17020.

### 3. Responsibility of the auditor appointed as independent third party

On the basis of our work, it is our responsibility to express a conclusion of limited assurance on:

- the conformity of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the sincerity of the information provided in application of 3° of I and II of Article R. 225 105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks, hereinafter the "Information".

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable laws and regulations, in particular with regard to the compliance plan and the fight against corruption and tax evasion, or on the compliance of products and services with applicable regulations.

### 4. Nature and scope of our work

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code, to the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this intervention:

- we reviewed the activity of all the companies included in the scope of consolidation and the statement of the main risks;
- we assessed the appropriateness of the Reporting Criteria with respect to their relevance, completeness, reliability, neutrality and comprehensibility, taking into account, where appropriate, industry best practices;
- we verified that the Statement covers each category of information provided for in Article L.III. 225-102-1 concerning social and environmental matters, as well as the information required by the second paragraph of Article L. 22-10-36 concerning respect for human rights and the fight against corruption and tax evasion;
- we have verified that the Declaration contains the information required under II of Article R. 225-105 when they are relevant to the main risks and includes, where appropriate, an explanation of the reasons for the absence of certain information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services as well as the policies, actions and results, including key performance indicators relating to the main risks;
- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with regard to the main risks and policies presented, and;
  - corroborate the qualitative information (actions and results) that we considered most important<sup>(1)</sup>. Our work was carried out at the level of the consolidating entity;
- we have verified that the Declaration covers the consolidated perimeter, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Declaration;
- we reviewed the internal control and risk management procedures implemented by the entity and assessed the process for collecting information to ensure that it is complete and accurate;
- for the key performance indicators and other quantitative results that we considered most important<sup>(2)</sup>, we implemented:
  - analytical procedures involving verifying that the collected data was consolidated correctly and that the trends were consistent;
  - tests of details based on samplings, which involved verifying that the definitions and procedures were applied correctly and reconciling the data with the supporting documents. This work was carried out with a selection of contributing entities<sup>(3)</sup> covering between 43% and 100% of the consolidated data for the key performance indicators and between 36% and 68% of the other indicators and results selected for these tests;
- we have assessed the overall consistency of the Statement based on our knowledge of all the companies included in the scope of consolidation.

We believe that the work we carried out based on our professional judgment allow us to form a conclusion of limited assurance; a higher level of assurance would have required a more extensive audit.

## 5. Means and resources

Three people carried out the work between February and April 2021 over a total working time of a week and a half.

We conducted four interviews with the people responsible for preparing the Statement.

## 6. Conclusion

On the basis of our work, we have not identified any significant anomaly likely to call into question the fact that the extra-financial performance

statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly, in accordance with the Reporting Criteria.

## 7. Comment

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment:

the lack of objectives concerning the main risks doesn't make it easy to understand the Group's non-financial performance.

### The Statutory Auditor

Done in Paris, April 27, 2021

BM&A

Marie-Cécile Moinier

Members of the Compagnie régionale de Paris (Institute of Statutory Auditors)

(1) Qualitative information: Active recruitment policy (recruitment procedures); Teleworking (internal communication promoting teleworking); Use of part-time work (percentage of workforce concerned); Training (digital transformation); Internal communication (internal newsletter, internal review); Diversity (Saphir method); Gender equality (Index); Handicap (Temporary Business Groups); Prevention of corruption (internal alert system, ethics and compliance committee); CSR commercial service (application to raise employee awareness); Subcontractors and suppliers (evaluation form); School relations (Great Place to Work, Happy at Work, Best Employer label); Carbon footprint (publication of carbon footprint); Reduction of travel costs (carpooling project - number of pairs).

(2) For the 2020 key performance indicators: recruitment (number of new employees), turnover rate, number of training days, expense related to bonus share plans and absenteeism. For the other 2020 quantitative results: workforce, diversity (% of foreigners, number of nationalities represented), gender equality (% of women in the workforce).

(3) Helpline, Cloud Temple, Experteam, Intrinsec Codilog, Colombus, Deodis, Neurones IT and NEURONES S.A.



## 3 Risks

### 3.1. MAIN RISKS, RISK IDENTIFICATION AND CONTROL MECHANISMS

Taking calculated risks is a voluntary and necessary action that characterizes companies. In order to grow with reasonable assurance of operational, legal, financial and accounting security, NEURONES has implemented risk management based on procedures, methods and tools.

Consequently, a formalized statement of risks that could have a material adverse effect on the business, financial position or results of operations has been drawn up. The Board of Directors reviews this mapping annually.

Obviously it does not concern geopolitical, social or health events (Covid-19: see page 57) and, more generally, events that concern the entire economy of the countries the Group operates in.

For each threat, a probability of occurrence and a potential impact are assessed. As part of its risk management approach, the Company regularly reassesses all of the risks it is exposed to, their raw criticality and takes measures to reduce the probability of their occurrence and their consequences, by implementing internal control and risk management procedures, as well as specific action plans.

The risk factors, presented below, are those estimated by NEURONES as being the most important in net criticality:

Family of risks	Risk	Probability	Impact	Criticality
Related to the business	Recruiting and retaining staff	4	3	12
	Departure of key personnel	3	4	12
	Non-compliance with a contractual commitment	4	3	12
	Human error in the performance of a service	2	4	8
	Outstanding trade receivables	2	2	4
	Acquisitions	1	4	4
Financials (IFRS7)	Credit	1	4	4
	Liquidity	0	4	0
	Market (interest rate, foreign exchange, equity market investments)	1	1	1
	Capital management	0	4	0
Digital	Cyberattacks with unavailability of the Production Information System and / or loss of data	4	3	12
	Bank transfer fraud	4	1	4
Environmental and societal	Ethics: corruption, price fixing	2	3	6
Fiscal and regulatory	Interpretation of laws and regulations	1	2	2

Probability of occurrence: 4 = significant, 3 = occasional, 2 = low, 1 = very low

Impact: 4 = severe, 3 = significant, 2 = mild, 1 = negligible

Criticality = Probability x Impact. The higher the number, the more critical it is.

The main risks identified, shown in bold type, are those related to the business (as well as the classic digital risks).

#### Business risks

##### Risks associated with recruiting and retaining staff

The Group cannot guarantee that it will be able to recruit and retain the consultants, engineers and technicians it needs to achieve its objectives, especially when a critical shortage of executives occurs. Despite turnover, which generally remains high in the Paris region, NEURONES' capacity to grow its teams (without relaxing recruitment criteria) has been sufficient up to now, including in periods of a tight job market.

Numerous actions to increase retention and attractiveness are carried out (and detailed in Chapter 2 above). As in most DSCs, Human Resources Departments are equipped with significant resources, both for recruitment and for employee retention.

##### Risks related to the departure of key personnel

Key people include the members of the subsidiaries' management committees, but also the best commercial talents, technical leaders and experienced contract managers.

Decentralized management, profit-sharing and participation in bonus share programs are part of the measures put in place to mitigate the risk of departure of the most important executives.

##### Risks related to the failure to honor a contractual commitment (lump-sum projects or recurring services with performance commitments)

Apart from Consulting, which is considered to be a 100% project activity, non-recurring fixed-price packages in Digital Services represent approximately 10% of revenues.

For infrastructure fixed-price projects, the risks of off-target performance are limited. They may result from the mismatch between different hardware and software to be integrated. In practice, these may not be able to be installed to fulfil their function. In these rare cases, NEURONES complains to the manufacturer or vendor, assisted by its insurer if legal action has to be taken.

For application development fixed-price projects, the number of days actually worked is seldom equal to the number of days initially calculated. There is a real risk of off-target performance, which can become quite significant. For this reason, a maximum commitment is set for each lot. When a project is very big, a subdivision is organized.

Stringent technical and legal checks are made during the pre-sale phase (and must be approved by an authorized person). The list of work in progress is reviewed at the end of each month in the entities concerned with,

for each project, a re-estimate of its advance/lag. Any sudden change in the estimated “still to do” triggers a review of the contract in question. Overall, experience shows that the risk of slippage on application packages remains limited for the size of “turnkey” operations (maximum of one million euros) handled by the Group.

Today, recurrent fixed-price services (infrastructure outsourcing and third party application management), with penalties in case service levels are not achieved, have become the riskiest projects. During the pre-sales phase, the service provider has to anticipate productivity levels for each activity, based on its charts, without having all of the necessary background information in the specifications (apart from the usual information about the size of the installed base and the volumes, which are often incomplete). In general, NEURONES and its fellow companies offer fixed prices (per workstation or server), independently of the number of technical actions to be carried out. They often also commit to contractual productivity gains during the term of the contract. In order to meet its service commitments, an incoming service provider may be forced to assign more teams than had been planned during the handover phase, or even worse, continue to run at a deficit at the beginning of the current operations phase. The situation is then analyzed and discussed with the client through committees provided for in the contract. A jointly agreed action plan is put in place. In some extreme cases, a project’s gross profitability may nevertheless remain permanently insufficient or even negative.

A provision for loss on termination is recognized for the projects or outsourcing operations concerned and in progress on the account-closing date.

For fixed price projects, liability insurance can be activated. For recurring service contracts, the risk is controlled through precautions (prior to signing the contract) and subsequent negotiation (during the recurring phase) because there is no possibility to resort to insurers. A senior executive of the leading entity monitors the pre-sales phase and attends the strategic committees (half-yearly or annual) in order to build a close relationship with the client. The most experienced service delivery managers are assigned to the projects that require the most negotiations (“contract management”).

#### **Risks related to human error in the performance of the service (infrastructure services)**

Some employees or subcontractors, under the responsibility of a Group entity, may make a mistake, either by failing to comply with safety instructions (ban on emailing important files outside the Client company) or by making a handling error (deleting all files instead of a given file, failing to react in accordance with instructions from an operations supervisor at night or on weekends, disconnecting an incorrect cable in the data center, etc.). This type of error is likely to create significant indirect damage (unavailability, loss of data).

Over the past ten years, one client sanctioned a Group company for failure to comply with safety instructions. The sanction was a six-month freeze on orders. The shortfall was estimated at €0.3 million in gross profit.

Over the same period, and this time concerning handling errors, five cases were investigated. On each occasion, the analyses showed that there had been a chain of several errors or failure of the planned safety devices (activation of a “hot” backup, automatic shutdown of network traffic in the event of saturation, etc.) to function. Often the person who made the mistake was alone and was confronted with an unusual incident. He tried to sort it out on his own, failing to warn the team leader when he was on call. Awareness-raising and training activities are also carried out regularly. To date, the Group’s civil liability policy has never been implemented for this type of risk.

For recurring contracts, the Group’s chief legal officer, or the legal officer of the entity concerned, reviews the limitations of liability clauses. However, in a decentralized structure it cannot be excluded that, despite regular reminders, an entity may omit such validation.

#### **Client risks**

In 2020, the largest client represented 8.6% of revenues. This total volume of business corresponds to multiple deals concluded between different autonomous decision centers and several NEURONES business entities.

In France, with a client base consisting of large companies or midcaps presenting a lower than average risk, the Group self-insures its receivables. Only the training entity, which works with a large number of clients of various sizes, has subscribed to a databank on company solvency.

French entities have carried out one-off orders with clients located abroad (Morocco, Algeria, West Africa, etc.). In one or two cases, the procedure providing for either advance payment or at least export credit insurance was not complied with. To date, there have been no losses.

#### **Risks associated with external growth operations**

In its future external growth operations, as in the past, the Group will select medium-sized enterprises with a culture similar to that of the current management team. Most of the time, this will allow these fellow companies to maintain their autonomy and their managers to remain in charge, while implementing synergies with the other companies of the Group. Particular care will be taken to ensure that owners, executives and key managers, who join NEURONES or one of its subsidiaries, find a capitalist motivation building on their prior asset situation.

#### **Financial risks**

Financial risk management (IFRS 7) is described in the notes to the consolidated financial statements below (see “4.25. Management of financial risk”). This covers credit risk, liquidity risk, market risk (interest rate, foreign exchange, equity and bond markets) and capital management.

From time to time, the Group has invested a maximum of 10% of its available cash in the equity markets.

#### **Digital risks**

##### **Cyberattacks with unavailability of the information system and/or loss of data**

Over the past five years, the Group has been subject to numerous cyberattacks. Most of them have proved unsuccessful. Two low-impact attempts were successful, despite the usual protection measures (notably the real-time update of new signatures distributed by antivirus publishers). One involved the encryption of one workstation and the other a few central files. Their consequences were limited thanks to a well-enforced policy of limiting rights. However, they required approximately 10 man-days each for containment, clean-up and data verification.

In the future, a greater degree of unavailability is probable, even if the information systems are partitioned, subsidiary by subsidiary, which limits the size of future damage.

The three entities that manage the delivery of their services from their managed service centers, which are often interconnected with their clients’ information systems, are ISO 27001 (information systems security) certified. They have a dedicated CISO (Information Systems Security Officer) who acts in coordination with their CIO (Information Systems Director).

Finally, on first request, all entities benefit from the expertise of the Group’s company, which has specialized in cybersecurity for 25 years. It has the best labels issued by the Agence Nationale de Sécurité des Systèmes d’Information (National Agency for Information Systems Security).

##### **Bank transfer fraud**

This risk has a relatively low foreseeable impact, again due to the Group’s specific organization into autonomous entities. Some attempts have been difficult to counter due to the ingenuity of the scenarios implemented by the fraudsters. There has been no compensation because insurance companies do not cover losses caused by fraud.

Following these incidents, which were documented and disseminated internally for educational purposes, the procedures have been strengthened. In particular, a centralized list of persons authorized to make bank transfers has been drawn up. They were asked to sign, when they took up their positions, a document with the specific procedures to be adopted and a detailed description of the known attempts to date.

## Environmental and societal risks

### Ethical risks: active or passive corruption, price fixing

To date, the Ethics and Compliance Committee has not received any alerts on the email address set up for this purpose. Given the Group's decentralized organization and even though the Group's rules have for many years provided for ethical warnings, the possibility cannot be excluded that warnings may be issued about facts, whether alleged or proven, that are contrary to the Code of Conduct.

## Tax and regulatory risks

### Tax risks

For each Research Tax Credit application, a specialized firm checks its eligibility beforehand and, afterwards, all the documentation produced. Each time a foreign subsidiary is created, NEURONES, assisted by a leading specialized firm, defines and documents the rules used to fix the internal transfer prices.

Until now, tax and URSSAF audits, which are carried out on a fairly regular basis, have resulted in insignificant adjustments.

## 3.2. INSURANCE

The Group insurance policies include the following main coverages:

- professional civil liability: €15 million per calendar year (all damages combined: bodily injury, material and immaterial damage, whether consequential or not),
- operating liability: €15 million per claim (all damages combined: bodily injury, material and immaterial damage, whether consequential or not),
- civil liability of officers and directors: €5 million per calendar year (all damages combined),
- cybersecurity policing / digital risks: €5 million per calendar year (for all guarantees),
- property damage and business interruption: general contractual indemnity limit of €35 million per claim, with a contractual indemnity limit of €10 million for buildings and/or lease risks, general and technical facilities and a limit of €20 million for business interruption and additional expenses.

## 3.3. CONTROL ENVIRONMENT

This paragraph describes the key elements of the control and risk management environment set up by NEURONES.

### Decentralized organization

The decentralized organization of a Group like NEURONES has advantages and disadvantages.

The benefits are obvious: all types of risks (commercial, brand image, legal, real estate, key persons, IT, malicious acts and fraud, etc.) are spread over some fifteen subsidiaries with their own autonomy in all the above-mentioned areas. The management of threats relies directly on the corporate officers of these companies of which they are shareholders, managers and sometimes founders.

The shortcoming of such an organization is that it leads to a lower number of control levels than in centralized structures. And this in a profession with high turnover and therefore a risk on retaining knowledge and continuous compliance with processes.

The Group is therefore required to carry out regular reviews of procedures as well as numerous awareness-raising and coordination actions. An example is given above in the sub-paragraph "Bank transfer fraud".

### Business risk management

It is carried out business by business and in each subsidiary. In the event of a claim, the manager contacts the client's representative without delay, generally through a crisis unit.

## Management of accounting and financial information

### Objectives

The objective of the internal control system related to the preparation and treatment of accounting and financial information is to prevent and control the risks that could generate errors or fraud. However, like any control system it cannot provide an absolute guarantee that every threat is excluded.

The objective of risk management procedures, or internal control, are particularly to:

- identify the potential risks and assess them (probability of occurrence, impact),
- define and implement control and monitoring actions.

In the accounting and financial area, the most important control procedures (likely to have an impact on the financial statements) aim to manage the following processes:

- recognition of revenues and margin (projects' stage of completion, overruns, estimated loss at completion and completeness of expenses),
- cash flow cycle.

### Accounting organization and the information system

The Group's administrative and financial management brings together the following functions: legal (with the support of various external consultants, depending on the subject area), accounting (accounting, reporting, consolidation, tax, finance, cash and cash equivalents) and management control.

Fifteen administrative and financial departments of subsidiaries are responsible for accounting/payroll, management control and cash management within their scope. They report functionally to the Group's administrative and financial management.

They generally have an independent management team, except for some, often small ones, which are assisted by an external accountant. Some manage several legal structures, usually their sub-subsidiaries.

The information systems are based on standard software packages on the market (Sage X3 accounting and payroll in particular), whose main processes are interfaced (business management, sales, payroll).

The Group's accounting information is backed up daily, just like all of the electronic and digital data. The back-up storage system meets the requirements that an IT professional should follow.

### Role of players performing control activities related to the preparation and treatment of accounting and financial information

The Group's administrative and finance department's central staff role is to ensure that the accounting standards are adhered to and to act as the guarantor vis-a-vis senior management and the Board of Directors. It can be heard by the Audit Committee at the department's request. It coordinates and organizes the budget and reporting processes. It reports to the Group's General Management and is responsible for preparing the consolidation.

The monthly reporting of each company is prepared in accordance with French standards. The Group consolidation and the related restatements

are established at the parent company level on a monthly basis according to the IFRS guidelines.

The Chief Financial Officer is responsible for internal control, the effectiveness of which is monitored by the Audit Committee, in collaboration with the Directors and Financial Officers, assisted by the management controllers of the Group's companies.

#### Financial reporting procedures

In order to comply with the regulations applicable to listed companies, a schedule of periodic obligations is formalized, both for publication aspects and for other regulatory procedures (legal, tax, etc.). The finance department monitors changes in regulations.

The finance department and senior management prepare the financial information that is published.

#### Budget procedures/monthly reporting

The general control procedures are centralized and based around two main processes:

- the annual "forecasting / budgeting" process. Each operating unit establishes an annual month-by-month budget at the end of each year for the following fiscal year for each operating unit. A budget revision is organized when necessary.
- the monthly "reporting" process. This involves preparing every month a balance sheet and complete income statement (up to the corporate income tax line). The Group voluntarily opted for streamlined reports in terms of the quantity of information provided, but relevant in terms of the essential character of the data produced. The analysis of the different significant indicators, over a short time interval (one month), lets the finance department analyze the variances between actuals and initial forecasts and to detect, if necessary, any significant errors in the financial statements by cross-checking key indicators (revenues, margins, income, cash, etc.). A complete monthly consolidation is carried out based on the monthly accounts submitted by the different subsidiaries.

To do this, the Group companies rely on the "accounting and financial procedures manual" and the reporting tools.

These procedures, applied by all subsidiaries, are monitored and controlled directly by the Group's finance department.

Each Company then has, at its level, local internal control procedures (delegation of bank signatures, control of current operations, etc.).

#### Preparation of the consolidated financial statements

The statutory consolidated financial statements are prepared at the half-year and annually, according to a procedure and within a timeframe similar to the process used to prepare the monthly reports, but with a greater level of detail. In addition to the information the subsidiaries submit monthly, all information used to produce the consolidated financial statements and in particular to establish the IFRS restatements is also submitted. Consequently, the restatements are made centrally by the finance department.

#### Recognition of revenue

The main subsidiaries concerned by the recognition of revenue based on the percentage-of-completion method (fixed-price contracts) are equipped with analytical management tools for each project, which can be used to monitor margins per project and the percentage-of-completion method at each monthly closing. The risk of billing error or fraud is considered as limited by the complete monthly reporting system (income statement/balance sheet), which would provide an alert rather quickly (of the order of 2 to 3 months), if a subsidiary's trade receivables increased abnormally and without cause.

#### Cash flow cycle

For the disbursement cycle, which is generally considered sensitive, an organization with separation of tasks has been implemented: In each subsidiary, at least two people, often three, share the process steps. They deliver

a payment authorization, issue a payment instrument, sign the payment instrument (check, transfer), perform accounting operations and bank reconciliation and control the bank reconciliation.

#### Change

The internal control system for accounting and financial information is based on a policy of continuous improvement. The financial control system (budget/reporting) has been operational since 1999. It is based on powerful tools adapted to the size of the Group but should evolve in case of strong growth and significant geographic expansion.

The managerial staff and the finance department ensure that the rules are applied. The Audit Committee monitors its effectiveness. As the Group grows, it will pragmatically strengthen this function: strengthen management control, improve the organization, optimize information systems and documentation of key processes, etc.

#### Digital risk management: independence of Information Systems, Saas, Cloud, ISO-27001 certifications

Because of the Group's decentralized structure, the subsidiaries' information systems are independent, which is a significant advantage in terms of cybersecurity.

In most entities, programs to switch business applications to SaaS and to transfer office automation and messaging to public clouds have been conducted to better spread risks by diversifying storage and backup locations.

The Group's three entities, which have an information system supporting the production of services from their centers (managed production services, hosting and management of virtual servers, service desk), have been certified ISO 27001. In this context, they keep their documentation describing their Information System's security management system up to date.

The dedicated CISOs (Chief Information Security Officers) of these three subsidiaries, as well as the IT Directors or Managers of the other entities, in charge of their information system's IT security, share information and best practices among themselves.

Similarly, the DPOs (Data Protection Officers) of the various structures, two of whom have dedicated profiles for this function, also exchange information among themselves concerning personal data protection (GDPR).

#### Ethics and compliance committee (Sapin II law)

Since June 1, 2017, NEURONES has implemented the eight measures provided for by the Sapin II law concerning the fight against corruption and influence peddling. In particular, a code of conduct has been disseminated and integrated in the policies and procedures of the Group companies. An internal warning system has been created with a specific email address distributed to all staff. This email address is shown on the contracts signed with subcontractors and other suppliers, as well as on certain client contracts. An e-learning training system has been developed. Every year the Ethics and Compliance Committee presents to the Board of Directors the process' state of progress and a report on the warnings.

#### Group management rules

The "Group management rules" document is updated regularly and shared by the managers of subsidiaries and NEURONES. These common rules contribute to the creation of a common language, a common corporate culture and the homogenization of operating and risk management methods.



## 4 Consolidated financial statements

### 4.1. CONSOLIDATED FINANCIAL SITUATION (AT DECEMBER 31, 2020)

ASSETS (in thousands of euros)	Notes	12/31/2019	12/31/2020
<b>NON-CURRENT ASSETS</b>			
Intangible assets	Notes 1/2	40,334	43,630
Rights of use (IFRS 16)	Note 3	31,015	32,195
Tangible assets	Note 4	16,133	14,449
Financial assets	Note 5	7,243	7,974
Deferred tax assets	Note 6	2,600	2,533
<b>TOTAL NON-CURRENT ASSETS</b>		<b>97,325</b>	<b>100,781</b>
<b>CURRENT ASSETS</b>			
Inventory	Note 7	385	635
Deferred tax assets due		7,515	2,846
Trade accounts and notes receivable	Note 8	186,308	178,986
Cash and cash equivalents	Note 9	218,605	266,603
<b>TOTAL CURRENT ASSETS</b>		<b>412,813</b>	<b>449,070</b>
<b>TOTAL ASSETS</b>		<b>510,138</b>	<b>549,851</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (in thousands of euros)	Notes	12/31/2019	12/31/2020
<b>SHAREHOLDERS' EQUITY</b>			
Capital		9,714	9,687
Additional paid-in capital		31,407	31,407
Consolidated reserves and profits		256,052	281,532
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	Note 10	<b>297,173</b>	<b>322,626</b>
Minority equity investments		30,149	36,399
<b>SHAREHOLDERS' EQUITY</b>		<b>327,322</b>	<b>359,025</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current provisions	Note 11	1,818	2,160
Non-current financial liabilities	Note 9	3	371
Non-current lease liabilities (IFRS 16)	Note 3	24,566	26,863
Deferred tax liabilities		-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>26,387</b>	<b>29,394</b>
<b>CURRENT LIABILITIES</b>			
Current provisions	Note 12	1,405	1,946
Taxes due		3,618	2,385
Trade and other accounts payable	Note 13	144,227	150,042
Current lease liabilities (IFRS 16)	Note 3	6,899	6,680
Current financial liabilities and bank overdrafts	Note 9	280	379
<b>TOTAL CURRENT LIABILITIES</b>		<b>156,429</b>	<b>161,432</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>510,138</b>	<b>549,851</b>

## 4.2. CONSOLIDATED INCOME STATEMENT (YEAR ENDED DECEMBER 31, 2020)

<i>(in thousands of euros)</i>	Notes	2019	2020
Software and equipment sales		1,610	2,943
Sale of services		508,464	521,546
<b>REVENUES</b>		<b>510,074</b>	<b>524,489</b>
Purchases consumed		-	(26)
Salaries and related expenses	Note 14	(293,541)	(296,168)
External expenses	Note 15	(146,985)	(154,436)
Taxes and duties		(5,806)	(7,208)
Allocations to amortization and depreciation	Note 16	(7,844)	(7,685)
Depreciation of rights of use (IFRS 16)	Note 3	(7,212)	(7,346)
Allocations to provisions	Note 16	(250)	(961)
Other income	Note 17	1,415	1,541
Other expenses	Note 17	(517)	(273)
Other operating income	Note 18	4,967	202
Other operating expenses	Note 18	(610)	(266)
<b>OPERATING PROFIT</b>		<b>53,691</b>	<b>51,863</b>
<i>- as percentage of revenue</i>		<i>10.5%</i>	<i>9.9%</i>
Financial income		1,337	2,933
Financial expenses		(444)	(531)
Financial expenses on lease liabilities (IFRS 16)		(773)	(702)
Net financial profit (loss)	Note 19	120	1,700
<b>PRETAX PROFIT</b>		<b>53,811</b>	<b>53,563</b>
<i>- as percentage of revenue</i>		<i>10.5%</i>	<i>10.2%</i>
Tax on earnings	Notes 20/21	(18,654)	(18,578)
<b>PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES</b>		<b>35,157</b>	<b>34,985</b>
<i>- as percentage of revenue</i>		<i>6.9%</i>	<i>6.7%</i>
<b>PROFIT FOR THE PERIOD</b>		<b>35,157</b>	<b>34,985</b>
Including:			
• Profit attributable to owners of the parent company (Group share)		30,799	30,918
• Income attributable to non-controlling interests (minority interests)		4,358	4,067
Undiluted earnings per share - Group share (in euros)		1.27	1.27
Number of shares*		24,281,991	24,239,282
Diluted earnings per share - Group share (in euros)		1.27	1.27
Number of shares*, stock options & exercisable bonus shares attributed		24,294,991	24,279,532

\* Number of shares weighted over the period.

## 4.3. OTHER CONSOLIDATED FINANCIAL ITEMS

### Statement of consolidated comprehensive income for the year ended December 31, 2020

(in thousands of euros)	2019	2020
<b>Profit for the period</b>	<b>35,157</b>	<b>34,985</b>
Other comprehensive income: translation adjustments (foreign currency activities)	311	(367)
<b>Comprehensive income</b>	<b>35,468</b>	<b>34,618</b>
Including:		
• share attributable to parent company shareholders (Group share)	31,003	30,609
• share attributable to minority equity investments (minority interests)	4,465	4,009

### Consolidated statement of cash flows for the year ending December 31, 2020

(in thousands of euros)	2019	2020
<b>Consolidated income before minority interests</b>	<b>35,157</b>	<b>34,985</b>
Elimination of non-monetary items:		
• Net allocations to amortization, depreciation and provisions	8,103	8,555
• Depreciation of rights of use (IFRS 16)	7,212	7,413
• Expenses/(Income) related to stock options and similar items	966	1,609
• Effect of discounting receivables and debts maturing in more than one year	187	184
• Losses/(Gains) on disposals, net of tax	40	87
• Losses/(Gains) on lease terminations (IFRS 16)	(96)	(64)
• Losses/(Gains) on disposals of consolidated investments, net of tax	(4,301)	-
<b>Cash flows from operating activities after net financial income and tax</b>	<b>47,268</b>	<b>52,769</b>
• Net financial profit	(120)	(1,700)
• Taxes due	18,385	18,578
<b>Cash flows from operating activities before net financial income and tax</b>	<b>65,533</b>	<b>69,647</b>
Cash variation in:		
• Working capital requirement for operations	10,261	12,619
• Taxes paid	(14,474)	(14,977)
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>	<b>61,320</b>	<b>67,289</b>
Acquisitions of intangible and tangible assets	(7,888)	(7,192)
Disposals of fixed assets, net of tax	97	71
Proceeds from sales of financial assets	201	365
Acquisitions of financial assets	(1,577)	(1,290)
Acquisitions of companies, net of the acquired cash	178	(667)
Securities bought from minority shareholders of subsidiaries	(5,166)	(147)
Capital subscription/increase by minority shareholders of subsidiaries	1,639	829
Disposal of consolidated securities, net of tax	4,369	19
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(8,147)</b>	<b>(8,012)</b>
Capital reduction	-	(1,186)
Company buy-back and sale of its own securities	-	(45)
Dividends paid to parent company shareholders	(1,457)	(4,842)
Dividends paid to minorities of subsidiaries	(1,355)	(82)
Increase in financial liabilities	8	143
Repayment of financial debts	(13)	(75)
Repayment of lease liabilities (IFRS 16)	(6,666)	(6,666)
Net financial interest	120	1,700
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(9,363)</b>	<b>(11,053)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>43,810</b>	<b>48,224</b>
Effect of foreign exchange variations on the cash held	52	(174)
<b>CASH AND CASH EQUIVALENTS AT OPENING</b>	<b>174,579</b>	<b>218,441</b>
<b>CASH AND CASH EQUIVALENTS AT CLOSING</b>	<b>218,441</b>	<b>266,491</b>

## Statement of changes in consolidated shareholders' equity for the year ended December 31, 2020

SHAREHOLDERS' EQUITY (in thousands of euros)	Capital	Additional paid-in capital	Consolidated reserves*	Share-based compensation reserve	Treasury shares	Profit for the year	Total shareholders' equity (group share)**	Minority equity investments***	Total shareholders' equity
<b>SHAREHOLDERS' EQUITY AT 12/31/2018</b>	<b>9,714</b>	<b>31,407</b>	<b>198,792</b>	<b>888</b>	<b>71</b>	<b>25,959</b>	<b>266,831</b>	<b>29,045</b>	<b>295,876</b>
Movements for FY 2019									
• Consolidated profit for the year	-	-	-	-	-	30,799	30,799	4,358	35,157
• Translation adjustments	-	-	204	-	-	-	204	132	336
• Total of other items in comprehensive income	-	-	204	-	-	-	204	132	336
<i>Comprehensive income</i>	-	-	204	-	-	30,799	31,003	4,490	35,493
• IFRS 2 restatements - stock options & bonus shares	-	-	-	901	-	-	901	80	981
• Capital transactions (bonus shares exercised)	-	-	-	-	-	-	-	-	-
• Change in treasury shares	-	-	-	-	(185)	-	(185)	-	(185)
• Allocation of 2018 profit	-	-	26,847	(888)	-	(25,959)	-	-	-
• Dividends paid by the parent company (€0.06 per share)	-	-	(1,457)	-	-	-	(1,457)	-	(1,457)
• Commitment to buy out minority interests	-	-	1,019	-	-	-	1,019	-	1,019
• Change in scope	-	-	(939)	-	-	-	(939)	(2,111)	(3,050)
<i>Total transactions with shareholders recognized directly in shareholders' equity</i>	-	-	25,470	13	(185)	(25,959)	(661)	(2,031)	(2,692)
<i>Minorities' share in subsidiaries' dividend distributions</i>	-	-	-	-	-	-	-	(1 355)	(1 355)
<b>SHAREHOLDERS' EQUITY AT 12/31/2019</b>	<b>9,714</b>	<b>31,407</b>	<b>224,466</b>	<b>901</b>	<b>(114)</b>	<b>30,799</b>	<b>297,173</b>	<b>30,149</b>	<b>327,322</b>
Movements for FY 2020									
• Consolidated profit for the year	-	-	-	-	-	30,918	30,918	4,067	34,985
• Translation adjustments	-	-	(306)	-	-	-	(306)	(61)	(367)
• Total of other items in comprehensive income	-	-	(306)	-	-	-	(306)	(61)	(367)
<i>Comprehensive income</i>	-	-	(306)	-	-	30,918	30,612	4,006	34,618
• IFRS 2 restatements - stock options & bonus share	-	-	-	1,484	-	-	1,484	113	1,597
• Capital transactions (capital reduction)	(27)	-	(1,159)	-	-	-	(1,186)	-	(1,186)
• Change in treasury shares	-	-	-	-	(72)	-	(72)	(1)	(73)
• Allocation of 2019 profit	-	-	31,700	(901)	-	(30,799)	-	-	-
• Dividends paid by the parent company (0.20 per share)	-	-	(4,842)	-	-	-	(4,842)	-	(4,842)
• Commitment to buy out minority interests	-	-	(409)	-	-	-	(409)	-	(409)
• Change in scope	-	-	(134)	-	-	-	(134)	2,213	2,079
<i>Total transactions with shareholders recognized directly in shareholders' equity</i>	(27)	-	25,156	583	(72)	(30,799)	(5,159)	2,325	(2,834)
<i>Minorities' share in subsidiaries' dividend distributions</i>	-	-	-	-	-	-	-	(81)	(81)
<b>SHAREHOLDERS' EQUITY AT 12/31/2020</b>	<b>9,687</b>	<b>31,407</b>	<b>249,316</b>	<b>1,484</b>	<b>(186)</b>	<b>30,918</b>	<b>322,626</b>	<b>36,399</b>	<b>359,025</b>

\* Of which currency translation reserve (- €1.887 million at December 31, 2020).

\*\* Share of shareholders' equity attributable to parent company shareholders.

\*\*\* Share of shareholders' equity attributable to minority equity investments corresponding to the shares held by subsidiaries' managers.



## 4.4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. COMPANY IDENTIFICATION

NEURONES, a public limited company, whose head office is located at 205, avenue Georges Clemenceau - 92000 - Nanterre (France), is a Consulting and Digital Services Group.

### 2. DISTRIBUTION OF CONSOLIDATED FINANCIAL STATEMENTS

The 2020 consolidated financial statements presented in this document were approved by the Board of Directors at its meeting of March 3, 2021 for submission to the Shareholders' Meeting of June 3, 2021.

NEURONES' consolidated financial statements for the year ended December 31, 2020 include the Company and its subsidiaries (together referred to as the "Group") and the share in affiliates or companies under joint control.

### 3. STATEMENT OF COMPLIANCE

The consolidated financial statements were prepared in compliance with the IFRS as adopted in the European Union. They differ in some aspects from the IFRS published by IASB. Nevertheless, the Group has made sure that the financial information for the periods presented would not be substantially different if it had applied the IFRS as published by the IASB. This compliance covers the definitions, recognition, measurement and presentation methods as provided for by IFRS, as well as all the information required by the standards.

### 4. ACCOUNTING PRINCIPLES

The accounting methods presented below have been applied consistently for all periods shown in the consolidated financial statements. They are identical to the accounting methods used in the financial statements at December 31, 2019 and were applied uniformly by Group entities.

#### 4.1. Basis of preparing the consolidated financial statements

The financial statements are presented in euros rounded to the nearest thousand euros.

They were prepared based on historical cost except for short-term cash investments, share-based compensation and some non-current financial assets, valued at fair value.

#### 4.2. Use of estimates

Preparing financial statements in accordance with the IFRS conceptual framework results in making estimates and formulating assumptions that affect the application of accounting methods and the amounts shown in these financial statements.

The estimates and underlying assumptions are made based on past experience and other factors considered as reasonable in view of the circumstances. Consequently, they form the basis for exercising the necessary judgment to determine the carrying amounts of assets and liabilities that cannot be obtained directly from other sources. The intrinsic values may differ from the estimated values.

The estimates and underlying assumptions are reexamined continuously. The impact of changes in accounting estimates is recognized during the period of change if it only affects this period, or during the period of change and subsequent periods, if they too are affected by the change.

At the year-end closing, NEURONES does not foresee any changes in the key assumptions used or sources of uncertainty that would present a major risk of leading to a significant adjustment in the amounts of assets and/or liabilities during the following period.

The main items where estimates are made concern: forecast costs on fixed-price service contracts monitored on a completion basis, asset impairments, pension liabilities, the valuation of share-based compensation and provisions. The assumptions used are specified in the corresponding notes to the financial statements.

### 4.3. Consolidation methods

#### Subsidiaries

A subsidiary is an entity the Company controls. The Group controls a subsidiary when it is exposed to or has the right to variable returns based on its ties with the entity and it has the ability to influence these returns due to the power it holds over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date they are verified until the date when they are no longer verified. Their accounting principles have been modified, if necessary, to ensure homogeneity with NEURONE's accounting methods.

#### Minority equity investments

Minority equity investments are valued in proportion to the company's net identifiable assets.

Changes in the Group's percentage ownership in a subsidiary, which do not result in a loss of control, are accounted for as equity transactions.

#### Loss of control

When the Group loses control of a subsidiary, it de-recognizes the assets and liabilities as well as any other items related to this subsidiary. The potential profit or loss resulting from the loss of control is recognized in net income. Any interest kept in the former subsidiary is valued at its fair value at the date of loss of control.

#### Interests in equity affiliates

The Group's interests in equity affiliates include those held in affiliated companies or in joint ventures.

Associated entities are companies in which NEURONES has significant influence on financial and operational policies, without having control or joint control. The joint venture is a joint arrangement that gives the Group joint control, according to which it has rights to the net assets of the joint arrangement and not rights to the assets of the company itself and obligations to take on for its liabilities.

NEURONES interests in affiliates and joint ventures are accounted for using the equity method. They are recognized initially at a cost including the transaction fees. After the initial recognition, the consolidated financial statements include the portion attributable to the group of the net income and other items of comprehensive income of the equity affiliates, until the day when the significant influence or joint control ends.

#### Transactions eliminated in the financial statements

Balance sheet balances, transactions, income and expenses resulting from intra-Group transactions are eliminated. Profits resulting from transactions with the equity affiliates are canceled by cross-entry of equity method investments up to the Group's percentage interest in the company. Losses are eliminated in the same way as profits, but only insofar as they do not represent an impairment.

At December 31, 2020, all companies included in the scope of consolidation were subsidiaries. The list of consolidated companies is provided in chapter 5 hereafter "Scope of consolidation".

## 4.4. Intangible assets

### Business combinations and goodwill

For acquisitions that have occurred since January 1, 2010, goodwill is measured as:

- the fair value of the consideration transferred,
- plus the amount recognized for any minority interest in the acquired company,
- plus, if the business combination is done in phases, the fair value of any prior investment held in the acquired company,
- less the net amount recognized (generally at fair value) for identifiable acquired assets and assumed liabilities.

When the difference is negative, a bargain purchase profit is recognized immediately in income.

Since January 1, 2010, the method for determining the fair value of the consideration transferred is as follows:

- the consideration transferred excludes amounts relating to the settlement of pre-existing relationships and compensation of employees or former owners for future services;
- acquisition-related costs, other than those related to the issuance of debt or equity, are expensed as incurred; and
- any potential consideration due is recognized at its fair value at the acquisition date. The potential consideration that was recorded in shareholders' equity is not restated and its payment is recognized in shareholders' equity. On the other hand, for potential consideration recorded as debt, subsequent variations in its fair value are recognized in profit or loss.

For acquisitions made between January 1, 2004 and January 1, 2010, goodwill represents the difference between the acquisition cost and the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities acquired. When a company enters the scope of consolidation, its assets, liabilities and identifiable potential liabilities are entered on the consolidated balance sheet at their fair value and valued according to the Group's accounting principles.

For goodwill prior to January 1, 2004, the Group has chosen, according to the provisions of IFRS 3, not to restate goodwill from business combinations. Consequently, this goodwill is maintained at its assumed cost, which represents the amount recognized according to the previous accounting guidelines.

Goodwill is valued at its cost, less cumulative impairment. It is assigned to Cash Generating Units, is not amortized and is subject to an annual impairment test or more frequently if there are signs of impairment (see "4.7. Impairment of fixed assets" below).

### Contracts and contractual client relationships

Contracts and contractual client relationships are recorded in assets at their acquisition cost less cumulative depreciation and impairment. For the most part they come from purchased businesses and correspond to a volume of revenues and margin generated by these contracts. They are amortized over the useful life of the corresponding contracts.

In the case of technical assistance contracts renewable periodically, the useful life is indefinite. Consequently, the period during which the contracts will generate net cash inflows to the Group's benefit is without a foreseeable limit. In this case, they are not amortized and are subject to an annual impairment test or whenever there is an indication of impairment (see 4.8 "Impairment of fixed assets" below).

## 4.5. Other intangible assets

The Group has not identified significant development expenses that meet the IAS 38 definition.

Other intangible assets, including software acquired for internal use, are amortized over their useful life, generally between one and three years, as soon as the asset is ready for use.

The amortization and depreciation of intangible assets are recorded in operating profit on the line, "Allocations to amortization and depreciation".

## 4.6. Leases (IFRS 16)

Leases that give the lessee control over the use of an identified asset for a period of time in exchange for consideration all within the scope of IFRS 16. Tenant companies recognize all rental contracts, regardless of their nature (operating or finance lease), as assets in the form of a right of use in return for a rental liability.

The lease liability is initially determined based on the present value of the lease payments outstanding at that date, discounted at the interest rate implicit in the lease (if this rate is readily available) or at the marginal borrowing rate specific to the country, terms and currency of the contract. Lease payments include fixed payments, variable payments based on an index or rate and payments arising from options that are reasonably certain to be exercised.

After the initial assessment, the lease liability is reduced by the payments made and increased by the interest expense. It is revalued to reflect any change in future lease payments in the event of new negotiations with the lessor, a change in an index or rate or if options are re-estimated. When the rental liability is revalued, the corresponding adjustment is reflected in the right of use, or the result if the right of use is already reduced to zero in the case of a reduction in the scope of rental.

The right of use initially determined includes: the initial lease liability, the initial direct costs and any obligations to renovate the asset, less any benefits granted by the lessor. It is amortized over the term of the contract. In the income statement, amortization and depreciation expenses are recognized in operating income and interest expenses in financial income.

The lease term used corresponds to the non-cancellable period, periods covered by an extension option whose exercise is reasonably certain and periods covered by a termination option whose non-exercise is reasonably certain. For 3 / 6 / 9 leases, a rental period of 9 years is retained except when the decision is taken to break the lease at the end of one of the first two triennial periods. Tacitly renewable contracts and contracts of indefinite duration are considered to be for a period of less than one year.

The exemptions permitted by IFRS 16 are applied. This concerns the treatment of contracts with a duration of less than 12 months or of a low value (less than €5,000).

### General presentation impacts

In the statement of financial position, the Group has elected to present assets under rights of use separately from other assets and lease liabilities separately from other liabilities.

Expenses related to leases, previously classified as operating leases and presented in operating expenses, are restated with the application of IFRS 16 and replaced by depreciation of the right of use and by financial expenses. These lease payments are now divided into cash outflows relating to interest expense on and repayment of the lease debt. In cash flow from financing activities, NEURONES presents repayment of the principal of the rental obligation and interest paid.

## 4.7. Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and recognized impairment.

The Group has not opted to use the revaluation method for its assets. Loan costs are excluded from the cost of fixed assets pursuant to IAS 23.

Tangible assets are depreciated over their useful life, according to the following methods as soon as the asset is ready to be commissioned:

Fixtures and installations	Straight-line 5 to 10 years
Transportation equipment	Straight-line 2 to 4 years
Computer hardware	Declining balance and straight-line 3 to 5 years
Office equipment	Straight-line 5 to 10 years

#### 4.8. Impairment of fixed assets

The book values of these assets are examined at each closing to assess whether there is any sign of impairment. If there is such a sign, the asset's recoverable value is estimated. For goodwill and intangible assets with an indefinite useful life or that are not yet ready to be commissioned, the recoverable value is estimated every year at December 31.

##### Goodwill and intangible assets with an indefinite useful life or intangible assets in progress

The tracking method used to test intangible assets for impairment is the DCF (discounted cash flow) method. This method is used each time there is a sign of impairment and at least once a year. To conduct these tests, goodwill is broken down into Cash Generating Units (CGU) corresponding to homogeneous groups that jointly generate identifiable cash flows. The division into CGUs is done by legal entity. Each subsidiary corresponds to a CGU (see "Note 4.24. Operating segments" below).

An asset's carrying amount is compared to its recoverable value, which corresponds to the maximum of the fair value less disposal costs and the value in use, determined by the discounted future cash flow method.

In case of impairment, it is recorded on the "Asset impairment" line in operating profit. Goodwill impairment is not reversed even if the asset's value in use recovers in future years.

##### Tangible and intangible assets with a definite useful life

The value in use of tangible and intangible assets with a definite useful life is tested for impairment as soon as signs of impairment appear (reviewed during the annual closure).

To perform this test, the tangible assets are grouped into Cash Generating Units (CGU). The CGUs constitute homogeneous asset groups whose continuous use generates cash inflows that are substantially independent of cash inflows generated by other asset groups. The division into CGUs is done by legal entity, where each subsidiary corresponds to a CGU.

An asset's carrying amount is compared to its recoverable value and corresponds to the maximum of the fair value less disposal costs and the value in use, determined by the discounted cash flow method. When the carrying amount is less than the recoverable value, impairment is recorded in operating profit, on the "Impairment of assets" line.

##### Main criteria used to apply the DCF method of valuation

- the discount rate used is 6.5% after tax, based on the risk-free rate, the risk premium and beta,
- the length of the explicit period is 5 years,
- the assumptions (sales growth, operating income, working capital requirements, investments) used are specific to each company, based on their size and their specific business sector,
- the growth rate is based on provisional budgets taking into account the dynamic structure and market conditions and averages 5%,
- the residual value is determined based on a terminal growth rate of 2%.

Impairment recorded for a CGU is first allocated to reducing the carrying amount of any goodwill allocated to the Cash Generating Unit, then to reducing the carrying amount of the CGU's other assets on a prorata basis with the carrying amount of each asset in the unit.

Impairment recorded for an asset other than goodwill is written back if there is a change in the estimates used to determine the recoverable value.

An asset's carrying amount, increased due to the write back of impairment, should not exceed the carrying amount that would have been determined, net of depreciations, if no impairment had been recorded.

#### 4.9. Financial assets

##### Non-consolidated securities

Pursuant to IAS 39, equity investments in non-consolidated companies are analyzed as available for sale and are therefore recorded at their fair value, or at their acquisition cost if the fair value cannot be determined reliably.

In case of recognition at fair value, any normal variation in fair value (positive or negative) is recognized directly in shareholders' equity.

In case of recognition at acquisition cost and an objective indication of impairment of the financial asset, impairment is recorded through profit/(loss). This impairment is written back only when the securities are sold.

##### Financial assets at fair value through the income statement

An asset is classified as a financial asset at fair value through the income statement if it is held for trading purposes or designated as such when it is initially recognized. Financial instruments are designated as such if the Group manages investments and makes purchase or sale decisions based on their fair value in accordance with the risk management policy or investment strategy.

##### Other financial assets

The other financial assets that mature in more than one year and do not earn interest are initially recognized at fair value, plus the directly attributable transaction costs. After the initial recognition, they are valued at amortized cost calculated according to the effective interest rate less any impairment. The interest rate used was 5%.

The Group has no derivatives among its financial assets and does not conduct any hedge operations.

#### 4.10. Deferred tax assets and liabilities

Pursuant to IAS 12, deferred tax assets and liabilities are recognized in the income statement and the balance sheet to account for the time lag between the book values and tax bases of certain assets and liabilities, except for the following items:

- goodwill,
- time differences related to investments provided they will not inverse in the foreseeable future.

According to the liability method of tax allocation, deferred taxes are valued based on the known changes in tax rates that have been adopted or virtually adopted at the closing date.

Loss carry forwards are activated when it is likely there will be future taxable income that these tax losses can be charged against.

A deferred tax is recorded for assets and liabilities related to finance lease agreements.

Pursuant to IAS 12, deferred tax assets and deferred tax liabilities are not discounted.

Since the year ending December 31, 2010, the Company Value Added Contribution (CVAE) falls within the scope of IAS 12.

#### 4.11. Inventory

Inventory is valued at the lowest cost based on the weighted price and net realizable value method. The latter is the estimated sales price under normal business conditions, less the estimated costs required to complete the sale.

Impairment is recognized on a case-by-case basis when the net realizable value is less than the carrying amount.

#### 4.12. Receivables

Receivables are recorded at cost less recognized impairment. Impairment is recognized when the carrying amount of the receivable exceeds its recoverable value (i.e., the value of estimated future cash flows).

#### 4.13. Cash and cash equivalents

Short-term investments are valued at their fair value (as counterparty through the income statement).

Pursuant to IAS 7, the "Cash and cash equivalents" line includes the cash on hand and demand deposits. Bank overdrafts repayable on demand are a component of cash for the purposes of the cash flow statement.

The fair value corresponds to the cash-in value of the cash asset or liability at the closing date.

Variances in fair value are recorded in profit for the period under the "Financial income" category.

#### 4.14. Treasury shares

The amount of the consideration paid for treasury shares, including directly attributable costs, is deducted from consolidated reserves.

In case the shares are subsequently disposed of, the profit/(loss) and any corresponding tax effects are recorded as a variation in consolidated shareholders' equity.

#### 4.15. Share-based compensation

The Black & Scholes valuation model was used for options. The fair value valuation of the service rendered at the attribution date is expensed on a prorata temporis basis over the entire rights vesting period as an adjustment to shareholders' equity.

#### 4.16. Employee benefits

##### Defined benefits plan: provision for retirement benefits

This provision is intended to meet the commitments corresponding to the present value of rights acquired by employees regarding conventional benefits they will have a claim to when they retire. It is based on a calculation made according to the projected unit credit method, which takes into account seniority, life expectancy and the standard personnel turnover rate plus salary revision and discounting assumptions.

Actuarial gains and losses generated by changes in demographic or financial assumptions are recognized in "other items of comprehensive income."

Furthermore, application of IAS 19 amended results in breaking down the change in the debt between the cost of services rendered, presented as operating income, and the financial cost (corresponding to interest on the debt calculated based on the discount rate), presented as financial profit or loss. Given the amount of the debt related to pension liabilities, the financial cost impact is non-significant over the period.

#### 4.17. Other personnel commitments

##### Rewards for long-service

The collective bargaining agreements in force in Group companies do not make any provisions for rewards for long service. No specific agreement has been concluded on this point either.

#### 4.18. Provisions

Pursuant to IAS 37, a provision is recorded when the Group recognizes a current obligation, legal or implicit, regarding a third party resulting from a past event and it is likely or certain that this obligation will cause an

outflow of resources representing economic benefits whose amount may be estimated reliably.

Non-current provisions are discounted when the effect is significant.

#### 4.19. Financial liabilities

The Group has no derivatives among its financial liabilities and does not conduct any hedge operations. The Group has no liabilities valued at fair value as an adjustment to profit.

The other financial liabilities correspond primarily to bank overdrafts.

#### 4.20. Other non-current liabilities

No other non-current liabilities were identified at December 31, 2020.

#### 4.21. Trade and other accounts payable

Trade and other accounts payable are valued at their fair value when initially recorded, then at amortized cost.

#### 4.22. Recognition of revenues (IFRS 15)

The method of recognizing revenues and costs depends on the nature of the services:

##### Fixed-price projects

Contracts based on "deliverables" generally include fixed-price services, such as systems integration or the design and development of customized IT applications and related processes.

Revenues are recognized based on percentage of completion, because at least one of the following conditions is respected: (i) the service improves an asset for which the client obtains control as the service is completed or (ii) the completed asset has no alternative use (e.g., it is specific to the client) and there is an enforceable right to payment for performance completed to date, in case the client terminates the contract.

NEURONES applies the method of costs incurred to evaluate progress. The percentage of completion is based on the costs incurred to date in relation to the total estimated costs to complete the contract.

The Group acquires the contractual right to bill as specified milestones are achieved or upon the client's acceptance of the work performed. The difference, between cumulative billing and cumulative revenue recognized, is reflected in the consolidated statement of financial position as unbilled revenue - Note 8 (when revenue generated exceeds billing) or prepaid income - Note 13 (when billing exceeds revenue generated).

##### Resource-based contracts

Revenues from resource-based contracts are recognized as the Group acquires the right to issue invoices, since the amount invoiced corresponds directly to the value of the service rendered at the date in question. Each delivery obligation is recognized as revenue on a percentage-of-completion basis since the receives and consumes the benefits of the services on an ongoing basis. The price of the services is based on the number of hours spent on the contract.

##### Multi-year contracts

Long-term managed service contracts usually include two main types of services:

- initial engineering (or "takeover"): this is a stand-alone project, prior to starting the contract in routine operation. This phase is treated as a distinct delivery obligation if it transfers control of an asset to the or if the can benefit from these initial activities independently of operating services. Thus the corresponding revenues are generally recognized based on the stage of completion;
- routine operations: these include infrastructure management, application management and business services. The fees are billed monthly,



based on a fixed price per unit or work consumed or based on the monthly fixed prices, which can be adjusted for changes in volumes or scope. Revenues from service-based contracts are recognized as the Group acquires the right to bill.

#### Purchase/Resale of equipment and licenses

Concerning revenues from the sale of equipment and licenses, the analyses performed led the Group to consider that it was acting as an “agent” (and not a “principal”) in this type of transaction. Consequently, since January 1, 2018, only the gross profit of these operations has been recognized, thus reducing revenue, without impacting operating profit. Sales of internally developed software licenses are recognized when the licenses are activated.

### 4.23. Calculation of diluted earnings per share (IAS 33)

The number of shares taken into account in calculating diluted EPS is comprised of:

- number of shares at the beginning of the year,
- plus the weighted average number of bonus shares delivered during the year,
- plus the weighted average number of stock options exercised during the year,
- plus the weighted average number of other dilutive share subscription options (stock options and bonus shares) attributed and not exercised or not delivered during the year, calculated according to the provisions of IAS 33,
- less the weighted average number of treasury shares during the year.

### 4.24. Operating segments (IFRS 8)

According to IFRS 8, an operating segment is a distinct component of the group, which either provides a specific service (business segment) or performs a service in an environment (geographic segment) that is subject to specific risks and generates different profitability than the profitability in other segments. It is identified and managed separately, as it requires a specific strategy, resources and technologies.

The information transmitted internally to the Chairman and Executive Vice-President is presented by legal entity, since line management's performance is assessed at this level. In this context, each of these entities would correspond to an operating segment.

NEURONES does not consider this highly detailed level of information necessary for the reader to have a better understanding of the Group's performance. All of the legal entities operate in the Consulting and Digital Services market for businesses and often have comparable marketing methods and cost structures. Consequently, no operating segments were identified to be presented in the context of IFRS 8.

### 4.25. Management of financial risk (IFRS 7)

Exposure to the following risks has been identified:

- credit risk,
- liquidity risk,
- market risk, and
- capital management risk.

The purpose of this note is to provide information about the exposure to each of these risks as well as the policies put in place to minimize them. Given the Group's current size and the daily involvement of two directors (Chairman and Executive Vice-President) combined with the geographic proximity of the largest Group companies and subsidiary managers' participation in the share capital, it has not been deemed necessary to form a centralized risk management committee. Moreover, NEURONES' general and/or financial management is directly responsible for some risks.

#### Credit risk

Credit risk represents the possibility of a financial loss in the case where a client or counterparty to a financial instrument fails to honor its contractual obligations. In the case of NEURONES and its subsidiaries, the risk is primarily limited to trade receivables and financial investments.

Concerning receivables, the credit risk exposure depends on the individual characteristics of the legal entities invoiced. The Group serves a very broad spectrum of uniformly distributed s in multiple business sectors, with the largest accounting for less than 8.6% of the consolidated revenues. This is a major banking Group whose multiple decision centers order services independently of each other and from different subsidiaries of the Group.

Regarding cash and cash equivalents, the credit risk exposure is limited by primarily investing excess cash in term deposits issued by banks.

#### Liquidity risk

The liquidity risk corresponds to difficulties the Group could encounter in honoring its commitments and paying its debts.

This assumption is theoretical given the very high cash surplus.

#### Market risk

Market risk corresponds to changes in market prices, such as exchange rates, interest rates and prices of equity instruments.

NEURONES is exposed very little to a foreign exchange rate risk since almost all transactions are carried out in euros.

Furthermore, the Group is not indebted and would not experience a significant impact in case interest rates vary.

Only the risk related to market price variations could affect the regularity of the financial profit or loss since the performance of some of the short-term investments is correlated to stock markets. This allocation represented approximately €2 million at the end of the fiscal year.

#### Capital management

By design, managers hold 70% of the capital, which constitutes a solid block that by nature gives third parties' confidence.

Even though NEURONES has substantial surplus cash (plus significant shareholders' equity), the Board of Directors makes sure that a balance is maintained between shareholders' remuneration and long-term resources. The dividend policy, initiated as of 2005, has never resulted in distributing more than 25% of net profit.

The Company wants to retain the possibility to buy-back its own shares at any time. As such, every year the Shareholders' Meeting is asked to approve such an authorization.

### 4.26. New standards and interpretations

#### IFRS provisions, mandatory as of January 1, 2020, applied without impact on the Group's financial statements at December 31, 2020

- Amendments to IAS 1 and IAS 8 - Definition of the term “significant”;
- Modification of references to the conceptual framework in the standards;
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform - Phase 1;
- Amendments to IFRS 3 - Definition of an enterprise;
- Temporary amendment to IFRS 16 - Compensation of rents in the context of the Covid-19 pandemic.

#### Mandatory implementing provisions after December 31, 2020, not applied in advance

- Amendments to IFRS 3 - References to the conceptual framework;
- Amendments to IAS 37 - Costs of performing a contract;
- Annual Improvements - 2018-2020 (only for amendments to IFRS 9 and IFRS 16).

## 5. SCOPE OF CONSOLIDATION

### 5.1. List of consolidated companies

List of companies whose annual contribution to 2020 revenues is greater than €10 million.

Companies consolidated by full consolidation	Registered Office	12/31/2019			12/31/2020		
		% Stake	% Control	Consolidation method	% Stake	% Control	Consolidation method
Parent company							
NEURONES	205, av. Georges Clemenceau - 92024 NANTERRE	-	-	-	-	-	-
Subsidiaries							
Arondor	24-26, rue de la Pépinière - 75008 PARIS	50%	50%	FC	50%	50%	FC
AS International	120-122, rue Réaumur - 75002 PARIS	97%	100%	FC	97%	100%	FC
Plan	215, av. Georges Clemenceau - 92024 NANTERRE	94%	100%	FC	94%	99%	FC
Codilog	205, av. Georges Clemenceau - 92024 NANTERRE	73%	73%	FC	73%	73%	FC
Colombus Consulting	138, av. des Champs-Élysées - 75008 PARIS	88%	88%	FC	87%	87%	FC
Deodis	2, place de la Défense CNIT - 92800 PUTEAUX	89%	96%	FC	89%	96%	FC
Experteam	171, av. Georges Clemenceau - 92024 NANTERRE	92%	96%	FC	92%	96%	FC
Finaxys	1 Terrasse Bellini - Tour Initiale - 92919 PARIS LA DÉFENSE	76%	76%	FC	76%	76%	FC
Plan 2018	171, av. Georges Clemenceau - 92024 NANTERRE	93%	93%	FC	93%	93%	FC
Intrinsec Sécurité	1 passerelle des Reflets - 92400 COURBEVOIE	89%	94%	FC	85%	90%	FC
Iliade	1, rue de la Pépinière - 75008 PARIS	51%	70%	FC	51%	70%	FC
Neurones IT	205, av. Georges Clemenceau - 92024 NANTERRE	97%	97%	FC	97%	97%	FC
RS2i	44, av Georges Pompidou - 92300 LEVALLOIS-PERRET	99%	99%	FC	99%	99%	FC

FC = Consolidation by full consolidation - NC = Non-consolidated securities

### 5.2. Significant events

#### Impact of variations on the scope of shareholders' equity

	% Stake at 12/31/2019	% Stake at 12/31/2020	Change (%)	Impact on shareholders' equity attributable to parent company shareholders	Impact on minority equity investments
<i>(in thousands of euros)</i>					
Aezan Services	-	49.6	49.6	-	1,419
Intrinsec Sécurité	88.6	84.5	(4.1)	46	274
Colombus Consulting	88.2	87.0	(1.2)	(27)	241
Plan	94.1	93.5	(0.4)	55	115
Neurones IT	97.2	97.3	0.1	(22)	(83)
Others (< +/- €100,000)	-	-	-	(186)	247
<b>TOTAL</b>	-	-	-	<b>(134)</b>	<b>2,213</b>

During 2020, various transactions were carried out with certain minority shareholders of subsidiaries. They resulted in slight changes in percentage stakes.

#### Acquisition of Aezan Services

The Group has taken control of Aezan Services, which entered the scope of consolidation on August 1, 2020. Its contributed €1.4 million to 2020 revenues.

The price was paid in cash, with future earn-outs. The fair value of the equity at the acquisition date amounted to €0.7 million.

The residual goodwill primarily represents human capital and expected revenue and market share synergies.

At the date of entering the scope, the acquired company's main totals were:

ASSETS	Aezan Services (Acquisition)
<i>(in thousands of euros)</i>	
Intangible assets	-
Tangible assets	150
Financial assets	27
Deferred tax assets	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>177</b>
Inventory	-
Deferred tax assets due	-
Trade accounts and notes receivable	2,109
Cash and cash equivalents	111
<b>TOTAL CURRENT ASSETS</b>	<b>2,220</b>
<b>TOTAL ASSETS</b>	<b>2,397</b>

SHAREHOLDERS' EQUITY AND LIABILITIES	Aezan Services (Acquisition)
<i>(in thousands of euros)</i>	
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>338</b>
Minority equity investments	343
<b>SHAREHOLDERS' EQUITY</b>	<b>681</b>
Non-current provisions	-
Non-current financial liabilities	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>
Current provisions	15
Taxes due	-
Trade and other accounts payable	1,593
Other financial liabilities	108
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,716</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,397</b>

## 6. NOTES TO THE BALANCE SHEET

### Note 1 – Intangible assets

<i>(in thousands of euros)</i>	12/31/18	+	-	12/31/19	Change in Scope	+	-	12/31/20
Goodwill (see details in Note 2)	40,472	-	-	40,472	-	2,216	-	42,688
Patents and licenses	6,641	287	207	6,721	21	1,592	62	8,272
Contracts and contractual relationships	341	-	-	341	-	-	1	340
<b>GROSS TOTAL</b>	<b>47,454</b>	<b>287</b>	<b>207</b>	<b>47,534</b>	<b>21</b>	<b>3,808</b>	<b>63</b>	<b>51,300</b>
Amortization and depreciation	(5,943)	(551)	(203)	(6,291)	(21)	(512)	(63)	(6,761)
Impairment	(909)	-	-	(909)	-	-	-	(909)
<b>NET TOTAL</b>	<b>40,602</b>	<b>(264)</b>	<b>4</b>	<b>40,334</b>	<b>-</b>	<b>3,296</b>	<b>-</b>	<b>43,630</b>

Contracts and contractual relationships recorded under assets are related to technical assistance contracts with an indefinite useful life (see "4. Accounting Principles"). They amount to €340,000 and are fully depreciated. No intangible assets have been pledged as security.

### Note 2 – Goodwill

<i>(in thousands of euros)</i>	12/31/18	+	-	12/31/19	+	Reclass.	-	12/31/20
<b>Companies concerned</b>								
Colombus Consulting	10,386	-	-	10,386	-	-	-	10,386
AS International Group	8,874	-	-	8,874	-	-	-	8,874
Plan 2018	5,179	-	-	5,179	-	-	-	5,179
Codilog	2,587	1205	-	3,792	-	-	-	3,792
RS2I	3,460	-	-	3,460	-	-	-	3,460
Iliade	2,959	-	-	2,959	-	-	-	2,959
Plan	1,126	1,054	-	2,180	-	-	-	2,180
Aezan Services	-	-	-	-	1,931	-	-	1,931
Arondor	1,480	-	-	1,480	-	-	-	1,480
Lib Consulting	1,239	(1,239)	-	-	-	-	-	-
Advim	1,054	(1,054)	-	-	-	-	-	-
Others (< €1 million)	2,127	34	-	2,161	285	-	-	2,447
<b>GROSS TOTAL</b>	<b>40,472</b>	<b>-</b>	<b>-</b>	<b>40,472</b>	<b>2,216</b>	<b>-</b>	<b>-</b>	<b>42,688</b>
Impairment	(568)	-	-	(568)	-	-	-	(568)
<b>NET TOTAL</b>	<b>39,904</b>	<b>-</b>	<b>-</b>	<b>39,904</b>	<b>2,216</b>	<b>-</b>	<b>-</b>	<b>42,120</b>

The acquisition of Everience Italy, which entered the scope of consolidation on November 1, 2020, is classified in the line "Other".

**Method and key assumptions used for impairment tests**

Impairment tests are performed once a year at closing on December 31.

The sensitivity analysis (variation of +1% in the discount rate) did not reveal a situation by which the recoverable value of the CGUs would fall below their net carrying amount.

**Note 3 – Leases (IFRS 16)**

(in thousands of euros)	1/1/20	+	Repayment	Depreciation	-	Revaluation	Reclassification	12/31/20
<b>1. IMPACTS ON THE BALANCE SHEET</b>								
Rights of use	37,368	8,752			(2,056)	(68)		43,996
Amortization of rights of use	(6,353)	-	-	(7,409)	1,961	-	-	(11,801)
<b>TOTAL NET USER FEES</b>	<b>31,015</b>	<b>8,752</b>	<b>-</b>	<b>(7,409)</b>	<b>(95)</b>	<b>(68)</b>	<b>-</b>	<b>32,195</b>
Prepaid expenses	-	280	-	-	-	-	-	280
<b>TOTAL ASSETS</b>	<b>31,015</b>	<b>9,032</b>	<b>-</b>	<b>(7,409)</b>	<b>(95)</b>	<b>(68)</b>	<b>-</b>	<b>32,475</b>
Non-current rental debts	24,566	7,618	-	-	(51)	15	(5,285)	26,863
Current rental debts	6,899	1,351	(6,665)	-	(107)	(83)	5,285	6,680
<b>TOTAL RENT LIABILITIES</b>	<b>31,465</b>	<b>8,969</b>	<b>(6,665)</b>	<b>-</b>	<b>(158)</b>	<b>(68)</b>	<b>-</b>	<b>33,543</b>
<b>ASSETS – LIABILITIES</b>	<b>(450)</b>	<b>63</b>	<b>6,665</b>	<b>(7,409)</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>(1,068)</b>
<b>2. IMPACTS ON THE INCOME STATEMENT</b>								
Amortization of rights of use		63	-	(7,409)	-	-	-	(7,346)
Financial expense		-	(702)	-	-	-	-	(702)
Cancellation of rents		-	7,367	-	-	-	-	7,367
Net proceeds from broken leases		-	-	-	63	-	-	63
<b>IMPACT ON NET INCOME BEFORE TAX</b>		<b>63</b>	<b>6,665</b>	<b>(7,409)</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>(618)</b>

In 2020, IFRS16 expenses were €618,000 more than the rent paid (before tax). This was also the case in 2019 to the tune of €450,000. In total, since the application of IFRS 16 (January 1, 2019), a liability of €1.068 million (450,000 + €618,000) has built up on the balance sheet. This liability arises in the early years of the leases, particularly if they include a large number of rent-free months. It is offset by equivalent gains in the later years of the leases, when the IFRS charge becomes less than the rent paid. Thus, when all the recovered.

**Note 4 – Property, plant and equipment**

(in thousands of euros)	12/31/18	+	Reclass.	-	12/31/19	Change in Scope	+	Reclass.	-	12/31/20
Land and buildings	333	-	-	229	104	-	-	-	-	104
Fixtures and installations	12,438	1,656	33	73	14,054	162	1,083	-	428	14,871
Transportation equipment	2,942	434	-	182	3,194	-	237	3	459	2,975
IT and office equipment	37,708	5,422	1	383	42,748	220	4,108	-	1,762	45,314
Fixed assets under construction	33	117	(42)	-	108	-	8	(114)	-	2
<b>GROSS TOTAL</b>	<b>53,454</b>	<b>7,629</b>	<b>(8)</b>	<b>867</b>	<b>60,208</b>	<b>382</b>	<b>5,436</b>	<b>(111)</b>	<b>2,649</b>	<b>63,266</b>
Amortization and depreciation	(37,243)	(7,365)	-	(533)	(44,075)	(213)	(7,018)	1	(2,488)	(48,817)
<b>NET TOTAL</b>	<b>16,211</b>	<b>264</b>	<b>(8)</b>	<b>334</b>	<b>16,133</b>	<b>169</b>	<b>(1,582)</b>	<b>(110)</b>	<b>161</b>	<b>14,449</b>

The investments correspond to:

- equipment used for the cloud computing activity,
- computer hardware used in our service centers or at client sites, as part of managed services contracts or for internal uses,
- improvements of premises,
- company cars.

The decreases correspond primarily to scrapping.



## Note 5 – Financial assets

(in thousands of euros)	12/31/18	Change in Scope	+	-	12/31/19	Change in Scope	+	-	12/31/20
Non-consolidated securities	670	(589)	111	140	52	1	12	17	48
Loans	3,724	(5)	635	40	4,314	-	548	82	4,780
Other financial assets	2,392	-	643	153	2,882	27	584	294	3,199
<b>GROSS TOTAL</b>	<b>6,786</b>	<b>(594)</b>	<b>1,389</b>	<b>333</b>	<b>7,248</b>	<b>28</b>	<b>1,144</b>	<b>393</b>	<b>8,027</b>
Impairment	(113)	-	(4)	(112)	(5)	-	(48)	-	(53)
<b>NET TOTAL</b>	<b>6,673</b>	<b>(594)</b>	<b>1,385</b>	<b>221</b>	<b>7,243</b>	<b>28</b>	<b>1,096</b>	<b>393</b>	<b>7,974</b>

Financial assets correspond mainly to deposits paid in the form of loans as part of the 1% housing contribution, as well as guarantee deposits (related to rentals).

The present value of loans (1% housing aid contribution) and in particular the reimbursement due date have been calculated based on the reimbursement date provided for in the contract (20 year timeframe).

In accordance with IFRS 7.8, it is noted that all of the financial assets mentioned above correspond to investments held to maturity.

## Note 6 – Deferred tax assets

The deferred tax assets shown on the balance sheet concern the following items:

(in thousands of euros)	12/31/19	12/31/20
Employee statutory profit sharing	1,266	973
Present value of receivables maturing in more than one year Provision for retirement benefits	717	743
Leases (IFRS 16)	465	510
Other temporary differences	140	299
Tax losses deferrable indefinitely	(78)	(55)
Déficits fiscaux indéfiniment reportables	90	63
<b>DEFERRED TAXES CALCULATED</b>	<b>2,600</b>	<b>2,533</b>
Compensation by tax entity	-	-
<b>TOTAL DEFERRED TAXES</b>	<b>2,600</b>	<b>2,533</b>

## Note 7 – Inventory

(in thousands of euros)	12/31/19	12/31/20
Licenses and equipment	388	638
<b>GROSS TOTAL</b>	<b>388</b>	<b>638</b>
Impairment	(3)	(3)
<b>NET TOTAL</b>	<b>385</b>	<b>635</b>

No inventory has been pledged as security.

## Note 8 – Trade accounts and notes receivable

(in thousands of euros)	12/31/19	12/31/20
Trade receivables	132,100	130,775
Unbilled revenue	27,704	22,746
Suppliers: credit notes receivable	229	672
VAT and other taxes	18,227	19,236
Other receivables	901	711
Prepaid expenses	8,486	6,803
<b>GROSS TOTAL</b>	<b>187,647</b>	<b>180,943</b>
Impairment	(1,339)	(1,957)
<b>NET TOTAL</b>	<b>186,308</b>	<b>178,986</b>

These "Trade and other receivables" are due within one year.

The trade receivable aging breaks down as follows:

(in thousands of euros)	Due				Not due	Total
	More than 1 year	Between 6 and 12 months	Between 3 and 6 months	Less than 3 months		
Trade receivables	2,052	1,654	1,681	27,991	97,397	130,775
Impairment	(1,263)	(124)	(11)	(52)	(43)	(1,493)
Net value	789	1,530	1,670	27,939	97,354	129,282
<b>TOTAL</b>	<b>0.6%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>21.6%</b>	<b>75.3%</b>	<b>100%</b>

## Note 9 – Net cash and cash equivalents

ASSETS (in thousands of euros)	12/31/19	Maturities/Due dates			12/31/20
		More than 2 years	Between 1 and 2 years	Less than 1 year	
Term deposits	120,380	92,000	11,014	20,101	123,115
Other marketable securities	3,067	-	-	5,348	5,348
Cash and cash equivalents	94,845	-	-	137,601	137,601
Accrued interest	313	-	-	539	539
<b>TOTAL ASSETS</b>	<b>218,605</b>	<b>92,000</b>	<b>11,014</b>	<b>163,589</b>	<b>266,603</b>
<b>LIABILITIES</b>					
Non-current loans	3	60	311	-	371
Current loans	1	-	-	152	152
<b>LOANS SUBTOTAL</b>	<b>4</b>	<b>60</b>	<b>311</b>	<b>152</b>	<b>523</b>
Bank overdrafts	164	-	-	113	113
Security deposits received	115	-	-	114	114
<b>OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>227</b>	<b>227</b>
<b>TOTAL LIABILITIES</b>	<b>283</b>	<b>60</b>	<b>311</b>	<b>379</b>	<b>750</b>
<b>CASH AND CASH EQUIVALENTS NET OF FINANCIAL DEBT</b>	<b>218,322</b>	<b>91,940</b>	<b>10,703</b>	<b>163,210</b>	<b>265,853</b>

Given the type of funds and supports selected to invest excess cash, no adjustment in the fair value or the future yield is anticipated.

The term deposits can be mobilized anytime. They are comprised of several lines in 10 European banks with rates ranging from 0.1% to 1.7%.

Marketable securities are mainly composed of financial products indexed to major French and European indices. Their valuation is obviously market driven.

Cash and cash equivalents correspond to uninvested cash.

## Note 10 – Shareholders' equity

### Note 10.1 – Capital

At December 31, 2020, the share capital amounted to €9,687,086.80; comprised of 24,217,716 fully paid-up shares of the same class with a face value of €0.40.

In accordance with the authorization granted by the Shareholders' Meeting of June 6, 2019, the Board of Directors has decided:

- to launch a share buyback program. Within this framework, 68,146 shares were acquired for cancellation,
- to reduce the share capital by cancelling these treasury shares in the amount of €1,186,651, with effect from June 15, 2020.

The change in the number of shares outstanding during the year 2020 is therefore as follows

Number of shares outstanding at 01/01/2020	Increase	Decrease	Number of shares outstanding at 12/31/2020
24,285,862	-	68,146	24,217,716

### Note 10.2 – Share-based compensation

#### Bonus share attribution plans

The Shareholders' meeting of June 14, 2018 authorized the Board of Directors to attribute a bonus share plan for up to 242,000 common shares. On this same date, the Board of Directors used part of this authorization (valid for a period of twenty-four months) by attributing 13,000 bonus shares (Plan G).

The Shareholders' meeting of June 4, 2020 authorized the Board of Directors to attribute a bonus share plan for up to 120,000 common shares. On September 9, 2020, the Board of Directors made partial use of this delegation (valid for a period of twenty-four months) by making a free attribution of 54,500 shares (Plan H).

The various bonus share plans decided by the Board of Directors, which are still subject to a vesting and/or holding period at December 31, 2020, have the following characteristics:

	Bonus share plan G	Bonus share plan H
Date of the Shareholders' Meeting	6/14/2018	6/4/2020
Date of the Board of Directors meeting	6/14/2018	9/9/2020
Vesting period term	6/15/2021	9/9/2023
Holding period term	6/15/2023	9/9/2025
Number of beneficiaries	6	12
- of which executives	-	-
Number of bonus shares attributed	13,000	54,500
Cumulative number of expired shares at 12/31/2019	-	-
Number of shares in the vesting period at 1/1/2020	13,000	-
Number of shares expired during the vesting period over the year	2,500	-
Number of shares in the vesting period at 12/31/2020	10,500	54,500
Number of shares in holding period at 1/1/2020	-	-
Number of shares in holding period at 12/31/2020	-	-
Potential dilution (excluding canceled options) - % of capital at 12/31/2020	0.05%	0.23%
<b>TOTAL POTENTIAL DILUTION</b>		<b>0.28%</b>

No performance conditions have been set for the above-mentioned plans.

The main criteria used to measure the fair value of options and bonus shares for plans attributed after November 7, 2002 (date when a new accounting standard applicable to stock options and other share-based payments took effect) are as follows:

	Bonus share plan F	Bonus share plan G	Bonus share plan H
Life	2 years	3 years	3 years
Volatility	19%	17%	N/A
Risk-free rate	0%	0%	0%
Dividend payout rate	1%	1%	1%

#### Fair value of stock option plans

Based on the Black & Scholes model, the options' unit fair values are as follows:

Plan and date of the Board of Directors meeting (euros)	Final attribution date	Exercise price	Fair value	Price at the final attribution date
June 9, 2016 (plan F) - Bonus shares	6/10/2018	-	20.89	24.70
June 14, 2018 (plan G) - Bonus shares	6/15/2021	-	23.90	-
September 9, 2020 (plan H) - Bonus shares	9/9/2023	-	24.1	-

The expenses related to the stock option plans are presented in Note 14 hereafter.

#### Note 10.3 - Earnings per share

	2019	2020
Number of shares at the beginning of the year	24,285,862	24,285,862
Average number of shares issued/cancelled	-	(37,154)
Average number of treasury shares	(3,871)	(9,427)
Average number of shares in circulation during the year	24,281,991	24,239,282
Average number of dilutive instruments	13,000	39,000
Average number of shares in circulation after dilution	24,294,991	24,278,282
Net profit - Group share (in euros)	30,799,035	30,918,260
<b>Earnings per share, Group share - undiluted (in euros)</b>	<b>1.27</b>	<b>1.27</b>
<b>Earnings per share, Group share - diluted (in euros)</b>	<b>1.27</b>	<b>1.27</b>

**Note 11 – Non-current provisions**

	12/31/18	Change in scope	Allocation the year	12/31/19	Change in scope	Allocation the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/20
<i>(in thousands of euros)</i>									
Provision for retirement benefits	1,441	(1)	378	1,818	69	291	(18)	-	2,160
<b>TOTAL</b>	<b>1,441</b>	<b>(1)</b>	<b>378</b>	<b>1,818</b>	<b>69</b>	<b>291</b>	<b>(18)</b>	<b>-</b>	<b>2,160</b>
Impact (net of expenses incurred)	-	-	-	-	-	-	-	-	-
Operating profit	-	-	(378)	-	-	(291)	(18)	-	-

**Note 12 – Current provisions**

	12/31/18	Allocation the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/19	Change in scope	Allocation the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/20
<i>(in thousands of euros)</i>										
Provisions	1,391	546	(412)	(120)	1,405	15	1,019	(493)	-	1,946
<b>TOTAL</b>	<b>1,391</b>	<b>546</b>	<b>(412)</b>	<b>(120)</b>	<b>1,405</b>	<b>15</b>	<b>1,019</b>	<b>(493)</b>	<b>-</b>	<b>1,946</b>
Impact (net of expenses incurred)	-	-	-	-	-	-	-	-	-	-
Operating profit	-	(546)	412	120	-	-	(1,019)	(493)	-	-

The current provisions, as well as the allocations and write-backs, correspond primarily to employer social security contribution risks and losses on contracts, where the expected completion date is less than 12 months.

**Note 13 – Trade and other accounts payable**

	12/31/19	12/31/20
<i>(in thousands of euros)</i>		
Trade and related accounts payable	31,041	32,657
Employee statutory profit sharing and optional profit sharing	3,950	3,585
Outstanding payroll & payroll taxes	88,496	90,732
Other debts	6,009	7,718
Prepaid income*	14,731	15,350
<b>TOTAL</b>	<b>144,227</b>	<b>150,042</b>

\* See "4.22. Revenue recognition (IFRS 15)" above.

All operating debts are due in less than one year.

**7. OPERATING SEGMENTS**

The Group has not identified any operating segments (see "4.23 above: Operating segments" below).

**8. NOTES TO THE INCOME STATEMENT****Note 14 – Salaries and related expenses**

	2019	2020
<i>(in thousands of euros)</i>		
Salaries	204,230	207,344
Payroll taxes	83,867	83,215
Employee statutory profit sharing	3,890	3,380
Bonus shares	1,176	2,008
Provision for retirement benefits	378	221
<b>TOTAL</b>	<b>293,541</b>	<b>296,168</b>

The employees on short-time working received compensation that is also included in the "salaries" item. They were often higher than the allowances received from the French government when the collective agreement provided for this or when the company chose to compensate more, to the point of ensuring net salaries were maintained. Short-time working allowances are not subject to the main social security charges.

Short-time working allowances received from the French government (€6.086 million in 2020) have been deducted from "salaries".



### Note 15 – External expenses

<i>(in thousands of euros)</i>	2019	2020
Subcontracting purchases	117,721	127,480
Purchases of materials and supplies not stored	450	444
Outside personnel	1,306	1,299
Other outside services*	25,295	22,799
Rental expenses	2,213	2,414
<b>TOTAL</b>	<b>146,985</b>	<b>154,436</b>

\* €7.367 million of rental expenses - previously classified under "Other external services" - were cancelled (IFRS 16 - Note 3) and the balance was reclassified under "Rental expenses".

### Note 16 – Allocations to amortization, depreciation, provisions and impairment of assets

<i>(in thousands of euros)</i>	2019	2020
Amortization of intangible assets	547	674
Depreciation of tangible assets	7,297	7,011
<b>ALLOCATIONS TO AMORTIZATION AND DEPRECIATION</b>	<b>7,844</b>	<b>7,685</b>
Amortization of rights of use (IFRS 16)	7,212	7,346
<b>ALLOCATIONS TO AMORTIZATION OF RIGHTS OF USE</b>	<b>7,212</b>	<b>7,346</b>
Net contingency provisions	12	519
Net provisions for current assets	238	442
<b>NET ALLOCATIONS TO PROVISIONS</b>	<b>250</b>	<b>961</b>

### Note 17 – Other income and expenses

<i>(in thousands of euros)</i>	2019	2020
Operating subsidies	798	883
Miscellaneous income	617	658
<b>OTHER INCOME</b>	<b>1,415</b>	<b>1,541</b>
Miscellaneous expenses	(517)	(273)
<b>OTHER EXPENSES</b>	<b>(517)</b>	<b>(273)</b>
<b>NET OTHER INCOME/OTHER EXPENSES</b>	<b>898</b>	<b>1,268</b>

The details of the operating grants are as follows:

<i>(in thousands of euros)</i>	2019	2020
Research Tax Credit (CIR)	775	829
Other grants	23	54
<b>TOTAL</b>	<b>798</b>	<b>883</b>

The tax credits were recorded as other income because they are considered as a grant offsetting related costs incurred.

### Note 18 – Other operating income and expenses

<i>(in thousands of euros)</i>	2019	2020
Capital gain/(loss) on disposal of assets	4,528	(87)
Capital gain/(loss) on lease termination (IFRS 16)	96	64
Impairment of goodwill	-	-
Other	(267)	(41)
<b>TOTAL</b>	<b>4,357</b>	<b>(64)</b>

These totals correspond to the sum of the lines "Other operating income" and "Other operating expenses" in the consolidated income statement.

**Note 19 – Analysis of the net cost of financial debt**

<i>(in thousands of euros)</i>	2019	2020
Dividends received (non-consolidated equity investments)	-	117
Other interest and similar income	1,186	905
Capital gains on disposal of cash equivalents	39	1,911
Capital gain on disposal of financial assets	-	-
Write-backs of provisions	112	-
<b>TOTAL FINANCIAL INCOME</b>	<b>1,337</b>	<b>2,933</b>
Interest and similar expenses	576	318
Allocations to provisions	4	213
<b>TOTAL FINANCIAL EXPENSES</b>	<b>444</b>	<b>531</b>
Financial expenses on lease liabilities (IFRS 16)	773	702
<b>FINANCIAL PROFIT (LOSS)</b>	<b>120</b>	<b>1,700</b>

**Note 20 – Income tax**

<i>(in thousands of euros)</i>	2019	2020
Corporate income tax	13,969	13,295
Company Value Added Contribution (CVAE)	5,100	5,215
<b>TAXES DUE</b>	<b>19,069</b>	<b>18,510</b>
Deferred tax assets and liabilities	(415)	68
<b>TOTAL</b>	<b>18,654</b>	<b>18,578</b>

**Note 21 – Proof of tax**

<i>(in thousands of euros)</i>	2019			2020		
	Base	Rate	Tax	Base	Rate	Tax
Pre-tax income, capital gain on sale of consolidated shares	53,811	28%	15,067	53,563	28%	14,998
Non-deductible calculated expenses	964	28%	270	1,607	28%	450
Impact of permanently non-deductible net expenses	(2,350)	28%	(658)	795	28%	223
Generation/(Use) of tax losses not activated	(132)	28%	(37)	111	28%	31
Tax credits	-	-	(435)	-	-	(476)
CVAE (Company Value Added Contribution) impact on tax	-	-	3,672	-	-	3,755
Rate difference between parent company and subsidiaries	-	-	775	-	-	(403)
<b>EFFECTIVE TAX EXPENSE</b>	-	-	<b>18,654</b>	-	-	<b>18,578</b>
Average tax rate	-	-	34.7%	-	-	34.7%

Following the termination of the tax consolidation Group and the change in the tax rate in France, Neurones SA's tax rate has been 28% since December 31, 2019.

In 2019, the net capital gain on the sale of Brains was partially tax-exempt, resulting in a positive impact of €1.3 million on the tax effect of the permanently non-deductible net expenses.

**Note 22 – Information about related parties****Legal entities**

NEURONES has no sister company. There are no economic transactions with Host Développement, a 46.1% shareholder in NEURONES (other than payment of the annual dividend).

**Senior executives**

The total and overall gross remuneration of officers amounted to €440,000 for FY 2020 (fixed and variable). It is unchanged from 2019. The officers do not collect any other remuneration.

**9. MISCELLANEOUS INFORMATION****9.1. Security given**

No guarantees were given at December 31, 2020.

## 9.2. Off balance sheet commitments

There were no off balance sheet commitments at December 31, 2020.

## 9.3. Auditors' fees

	BM&A				KPMG				Other			
	Amount		%		Amount		%		Amount		%	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<i>(in thousands of euros)</i>												
<b>Audit</b>												
Statutory auditors' examination of the parent company and consolidated financial statements												
- parent company	25	24	17%	16%	25	24	14%	16%	-	-	-	-
- subsidiaries	122	118	82%	77%	147	129	83%	84%	14	6	100%	100%
Accessory assignments (due diligence, etc.)	2	11	1%	7%	6	1	3%	-	-	-	-	-
<b>Subtotal</b>	<b>149</b>	<b>153</b>	<b>100%</b>	<b>100%</b>	<b>178</b>	<b>154</b>	<b>100%</b>	<b>100%</b>	<b>14</b>	<b>6</b>	<b>100%</b>	<b>100%</b>
<b>Other services</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>149</b>	<b>153</b>	<b>100%</b>	<b>100%</b>	<b>178</b>	<b>154</b>	<b>100%</b>	<b>100%</b>	<b>14</b>	<b>6</b>	<b>100%</b>	<b>100%</b>

## 9.4. Average number of employees

	2019	2020
France	4,596	4,761
International	615	690
<b>TOTAL</b>	<b>5,211</b>	<b>5,451</b>

## 9.5. Subsequent events at December 31, 2020

None.

## 9.6. Distribution of dividends

At its meeting on March 3, 2021, the Board of Directors plans to propose to the Shareholders' Meeting, at which the financial statements for the year ending December 31, 2020 will be submitted for approval, the payment of an exceptional dividend of €2.00 per share.

## 4.5. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (YEAR ENDED DECEMBER 31, 2020)

To the attention of the NEURONES S.A. Shareholders' Meeting,

### Opinion

In accordance with the terms of our appointment at your Shareholders' meetings, we have audited the accompanying consolidated financial statements of NEURONES S.A. for the fiscal year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the consolidated Group at December 31, 2019 and of the results of its operations for the year then ended in accordance with IFRS as adopted for use in the European Union.

The opinion expressed above is consistent with our report to the audit committee.

### Basis for opinion

#### Audit framework

We conducted our work in accordance with the 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

#### Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, for the period from January 1, 2020 to the date of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

### Basis of our assessments – Key points of the audit

The worldwide crisis linked to the Covid-19 pandemic has created special conditions for the preparation and audit of this year's accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties on their future prospects. Some of these measures, such as travel restrictions and remote work, have also had an impact on the internal organization of companies and on how audits are performed.

It is in this complex and evolving context that, in accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code concerning the basis of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements for the current period, as well as how we addressed those risks.

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

### Recognition of "service" revenues

#### Description of the identified risk

The NEURONES Group operates on the IT professional services market and provides in particular long-term services.

As indicated in note 4.22 to the consolidated financial statements, revenues from fixed-price projects and multi-year contracts are recognized as the services are rendered, using the percentage-of-completion method. The percentage of completion is calculated based on the costs incurred compared to the total updated forecast costs. According to this method, revenues are recognized in the period the service is rendered in, independently of the billing cycle.

Given the high degree of judgment exercised by management in determining the stage of completion on fixed-price and long-term contracts, we considered that the recognition of revenues related to these services constitutes a key point of our audit.

#### Our response to risk

Our audit approach on the recognition of revenues includes internal control and substantive procedures tests.

Our work on internal control concerned in particular formalization by contract, invoicing and recognition of service revenues. We reviewed the internal control procedures implemented by the Group and tested the design and effectiveness of the key controls identified.

Our substantive procedures tests consisted in assessing the appropriateness of the information presented in the notes to the consolidated financial statements and in examining, on the basis of a sample of contracts, the determination of the stage of completion by performing the following procedures:

- assessment of the consistency of costs incurred as a result of the operational monitoring of projects with the accounting data;
- assessment of the reasonableness of the remaining costs to be incurred by interviewing the project managers and comparing them with similar contracts;
- comparison of the profit margin on these contracts with that recognized on similar past contracts;
- verification of the arithmetic exactness of the revenues to be recognized over the period.

### Specific procedures and disclosures

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations on the Group information provided in the Board of Directors' management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

We hereby certify that the consolidated statement of non-financial performance provided for by article L.225-102-1 of the French Commercial Code is included in the Group's annual financial report, it being noted that, in accordance with the provisions of article L.823-10 of this code, we have not verified the fair presentation or consistency with the consolidated financial statements of the information contained in this statement, which should be reported on by an independent third party.

### Other verifications or information required by law and regulations

#### Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with III of Article 222-3 of the AMF General Regulation, your company's management has informed us of its decision to postpone the application of the single electronic reporting format as defined by the European Delegated Regulation No. 2019/815 of December 17, 2018 to fiscal years beginning on or after January 1, 2021. Consequently, this



report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code.

#### Appointment of the auditors

We were appointed statutory auditors of NEURONES S.A. by the Shareholders' Meeting of June 25, 2004 for KPMG S.A. and of June 30, 1997 for BM&A.

At December 31, 2020, KPMG S.A. was in the 17<sup>th</sup> uninterrupted year of its assignment and BM&A in the 24<sup>th</sup> year, thus respectively 17 and 21 years since the Company's securities were listed on a regulated stock exchange.

### Responsibilities of management and the people 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 International Financial Reporting Standards as adopted by the European Union 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 Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit regarding the accounting and financial reporting procedures.

The Board of Directors has approved the consolidated financial statements.

### Statutory auditors' responsibilities for the audit of the consolidated financial statements

#### Audit objectives and approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that 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 there is one. 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 consolidated 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. Furthermore, the statutory auditor:

- 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 its opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, willful omission, misrepresentation or circumvention of internal control;
- reviews the 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;
- assesses 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 application 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 its 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 are 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 provides a 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.

#### Report to the audit committee

We submit a report to the Audit Committee which presents in particular the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements for the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may be reasonably thought to bear on our independence and the related safeguards.

#### The Statutory Auditors

Paris La Défense, April 27, 2021

**KPMG Audit - Department of KPMG S.A.**

Philippe Saint-Pierre  
*Partner*

Paris, April 27, 2021

**BM&A**

Thierry Bellot  
*Partner*

Jean-Luc Loir  
*Partner*

## 5 Parent company financial items

### 5.1. PARENT COMPANY BALANCE SHEET AND INCOME STATEMENT

#### Parent Company Balance Sheet

ASSETS	12/31/2019	12/31/2020		
	Net	Gross	Amortization and depreciation and provisions	Net
<i>(in thousands of euros)</i>				
Franchises, patents and licenses	-	105	90	15
Intangible assets under construction	13	-	-	-
<b>INTANGIBLE ASSETS</b>	<b>13</b>	<b>105</b>	<b>90</b>	<b>15</b>
Fixtures and installations	322	390	105	285
IT and office equipment	63	102	53	49
<b>TANGIBLE ASSETS</b>	<b>385</b>	<b>492</b>	<b>158</b>	<b>334</b>
Financial interests	77,835	78,379	317	78,062
Loans	25	16	-	16
Other financial assets	422	444	-	444
<b>FINANCIAL ASSETS</b>	<b>78,282</b>	<b>78,839</b>	<b>317</b>	<b>78,522</b>
<b>TOTAL FIXED ASSETS</b>	<b>78,680</b>	<b>79,436</b>	<b>565</b>	<b>78,871</b>
Trade and related accounts receivable	35,443	32,730	-	32,730
Other receivables	24,810	21,526	-	21,526
Marketable securities	103,241	116,026	-	116,026
Cash and cash equivalents	25,574	63,069	-	63,069
<b>TOTAL CURRENT ASSETS</b>	<b>189,068</b>	<b>233,351</b>		<b>233,351</b>
Prepaid expenses	480	42		42
<b>TOTAL ASSETS</b>	<b>268,228</b>	<b>312,829</b>	<b>565</b>	<b>312,264</b>

LIABILITIES <i>(in thousands of euros)</i>	12/31/2019	12/31/2020
Share capital	9,714	9,687
Additional paid-in capital	30,618	30,618
Legal reserve	971	972
Retained earnings	64,757	65,986
<b>PROFIT FOR THE YEAR</b>	<b>7,231</b>	<b>3,698</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>113,291</b>	<b>110,961</b>
Contingency provisions	8	13
<b>TOTAL CONTINGENCY AND LOSS PROVISIONS</b>	<b>8</b>	<b>13</b>
Loans and debts with lending institutions	-	-
Trade and related accounts payable	45,955	31,446
Outstanding payroll & payroll taxes	7,376	5,902
Debts on fixed assets and related accounts	22	7
Other debts	101,142	163,935
<b>TOTAL DEBTS</b>	<b>154,495</b>	<b>201,290</b>
Prepaid income	434	-
<b>TOTAL LIABILITIES</b>	<b>268,228</b>	<b>312,264</b>

## Parent Company Income statement

INCOME STATEMENT (in thousands of euros)	2019	2020
Sales of goods	579	806
<i>Services provided</i>	126,578	131,897
<i>Incidental income</i>	4,671	4,177
Sale of services	131,249	136,074
<b>NET REVENUES</b>	<b>131,828</b>	<b>136,880</b>
Operating subsidies	-	-
Write-backs on provisions, amortization and depreciation, expense transfers	-	12
Other income	4	3
<b>OPERATING INCOME</b>	<b>131,832</b>	<b>136,895</b>
Goods purchased	579	805
Variation in inventory	-	-
Other purchases and external charges	128,441	133,654
Taxes, duties and similar payments	277	283
Salaries and wages	1,567	1,459
Payroll taxes	684	645
Allocations to amortization and depreciation on fixed assets	57	53
Provisions for current assets	-	-
Contingency and loss provisions	8	17
Other expenses	1	19
<b>OPERATING EXPENSES</b>	<b>131,614</b>	<b>136,935</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>218</b>	<b>(40)</b>
Financial income from equity investments	7,316	2,697
Other interest and similar income	-	-
Write-backs on provisions for financial contingencies and expense transfers	509	2,350
Positive foreign exchange variations	36	-
<b>FINANCIAL INCOME</b>	<b>7,861</b>	<b>5,047</b>
Net financial allocations to amortization, depreciation and provisions	-	-
Interest and similar expenses	684	839
Negative foreign exchange variations	33	5
<b>FINANCIAL EXPENSES</b>	<b>717</b>	<b>844</b>
<b>FINANCIAL PROFIT (LOSS)</b>	<b>7,144</b>	<b>4,203</b>
<b>PRETAX INCOME FROM ORDINARY BUSINESS</b>	<b>7,362</b>	<b>4,163</b>
Non-recurring income from management operations	-	-
Non-recurring income from capital operations	60	19
Write-backs on provisions and expense transfers	-	-
<b>NON-RECURRING INCOME</b>	<b>60</b>	<b>19</b>
Non-recurring expenses on management operations	-	-
Non-recurring expenses on capital operations	2	8
<b>NON-RECURRING EXPENSES</b>	<b>2</b>	<b>8</b>
<b>NON-RECURRING PROFIT/(LOSS)</b>	<b>58</b>	<b>11</b>
Statutory employee profit sharing	-	-
Corporate income tax	189	476
<b>TOTAL INCOME</b>	<b>139,752</b>	<b>141,962</b>
<b>TOTAL EXPENSES</b>	<b>132,521</b>	<b>138,264</b>
<b>PROFIT/(LOSS)</b>	<b>7,231</b>	<b>3,698</b>

## 5.2. INFORMATION ON EQUITY INVESTMENTS

COMPANY  (in thousands of euros)	Capital	Other share- holders' equity*	Share of capital held (as %)	Carrying amount of securities held		Loans & advances granted	Security and guarantees given	Revenues	Net profit	Dividends received by the parent company
				Gross	Net					
<b>I – SUBSIDIARIES (More than 50% owned)</b>	-	-	-	-	-	-	-	-	-	-
Arondor	234	6,540	50.10%	2,614	2,614	-	-	19,390	468	75
AS International Group	564	14,059	96.98%	12,006	12,006	-	-	6,583	357	-
Codilog	6,305	13,735	72.94%	4,897	4,897	-	-	27,602	1,299	0
Dataquantic	250	64	60.00%	150	150	-	-	1,940	61	0
Edugroupe	4,186	3,353	99.74%	5,247	5,247	-	-	6,379	1,595	2,505
Finaxys	438	14,980	76.09%	2,783	2,783	-	-	29,945	1,049	-
Helpline	1,097	83,759	93.00%	5,028	5,028	-	-	145,021	7,494	0
Dragonfly	1,036	14,918	94.07%	5,638	5,638	-	-	2,650	1	0
Karré	220	(25)	59.30%	130	130	-	-	52	(25)	-
Neurones Consulting	40	3,691	100.00%	40	40	-	-	0	(23)	0
Neurones IT	33,013	40,832	97.34%	29,979	29,979	-	-	69,760	4,039	-
Pragmateam	55	570	100.00%	943	626	-	-	0	(1)	0
RS2i	687	16,303	98.94%	8,924	8,924	-	-	14,846	2,212	0
<b>II – EQUITY INVESTMENTS (10 to 50% held)</b>	-	-	-	-	-	-	-	-	-	-
<b>III – OTHER SECURITIES</b>	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	<b>78,379</b>	<b>78,062</b>	-	-	-	-	<b>2,580</b>

\* Before distribution but after allocation of 2020 earnings.



# 6 Ordinary Shareholders' Meeting of June 3, 2021

## 6.1. MANAGEMENT REPORT PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY SHAREHOLDERS' MEETING ON JUNE 3, 2021

Dear shareholders,

We called this Ordinary Shareholders' Meeting pursuant the legal and statutory provisions to report on the Group's activity during the past fiscal year, to submit for your approval the annual and consolidated financial statements for the fiscal year ending December 31, 2020 and to inform you of the outlook for the future.

### 1. CONSOLIDATED FINANCIAL STATEMENTS

#### Comments on the Group's activity during FY 2020

Since 2005 the consolidated financial statements are presented according to IFRS, pursuant to the provisions adopted by the European Union.

In 2020, NEURONES continued its profitable growth. Revenues amounted to €524.5 million compared to €510.1 million the previous year (overall growth of 2.8% and organic growth of 2.6%).

Operating profit decreased from €53.7 million (including a €4.6 million capital gain) to €51.9 million. As a percentage, it represented 9.9% of revenues.

Financial profit amounted to €1.7 million. It corresponds to capital gains on financial investments and interest on cash investments in term deposits at progressive rates, less the financial expense related to the application of IFRS 16 on leases.

The corporate income tax expense (including the Company Value Added Contribution of €5.2 million) amounted to €18.6 million, the same as the previous year. The average corporate tax rate, including corporate income tax and CVAE, was 34.7%.

Net income was €35.0 million (€35.2 million in 2019).

Net income attributable to owners of the parent company (€30.9 million) was slightly up from 2019 (€30.8 million).

#### Comments on the consolidated financial situation

##### Assets

Intangible assets were €43.6 million, compared to €40.3 million the previous year. Rights of use (IFRS 16) amount to €32.2 million.

Net property, plant and equipment decreased by €1.7 million to €14.4 million at the end of 2020. This mainly concerns IT equipment related to cloud computing activities and the fitting out of new premises.

Financial assets (€7.9 million) are comprised primarily of 1% housing loans and security deposits.

The deferred tax asset amounts to €2.5 million. It is comprised primarily of temporary tax differences.

At €179.0 million, trade and other accounts receivable were down 3.9%. Overall, these accounts receivable and unbilled revenue represent 81 days of turnover (including 12 days for unbilled revenue).

##### Liabilities

Long-term provisions correspond to provisions for payments due on retirement while short-term provisions correspond primarily to social risks.

Current and non-current rental debts (IFRS 16) amount to €33.5 million.

The trade and other accounts payable item increased 4% to €150 million.

##### Cash flow

Cash flows from operating activities, after net financial income and taxes, amounted to €52.8 million in 2020.

The decrease in trade receivables and the increase in trade payables explains most of the decrease in the operating working capital requirements (-€12.6 million).

Productive investments consumed €7.2 million (compared to €7.8 million in 2019). They primarily concerned the cloud computing activities as well as the service centers in general (computer hardware and software, office improvements, etc.).

Free cash flow - comprised of net income, depreciation, amortization, provisions and changes in working capital requirements less net capital expenditures - amounted to €55.2 million compared with €47 million the previous year.

After equity transactions (earn-out payments, dividend payments, disposals, share buybacks from minority shareholders in subsidiaries, capital increases, etc.), the Group will generated €48.1 million of additional cash in 2020 compared to €43.8 million in 2019.

At December 31, 2020, cash and cash equivalents (net of borrowing) amounted to €266.5 million (€218.3 million in 2019).

##### Note on the debt situation of the Company and the Group

The Group has a positive gross cash position of €266.6 million and borrowing of €0.7 million. The debt situation, in light of the volume of business, clearly poses no risk to the company.

##### Future outlook

Historically, NEURONES has always grown faster than its reference market. Fiscal year 2020 follows this pattern (2.6% organic growth compared to a 4.2% decline in the Consulting and IT Services market according to Syntec). The Group's potential is real since its share of the French market is only around 1.5%. Thanks to its "multi-specialist" model, NEURONES should grow faster than the market in 2021 (Syntec forecast of +1%).

On November 4, 2020, the Group announced that the impact of the health crisis will be more diluted than expected. The effects of the crisis will therefore continue to affect revenue growth in 2021.

## Equity investments, share movements, capital operations and other legal operations

In 2020, NEURONES S.A. carried out the following operations:

- sale of slightly less than 0.1% of the capital of Codilog Eliance to two company managers;
- acquisition of about 0.17% of the capital of Neurones IT from two managers of the company;
- participation in the creation of Karré (stake of approximately 60% of the capital).

NEURONES S.A. subsidiaries and sub-subsidiaries carried out the following acquisition and disposal operations in 2020:

- Cloud Temple Tunisia took a majority stake (50.05%) in the capital of the Tunisian company Smart Host SA;
- AS International Group acquired 99.8% of the capital of Owl Consulting;
- Helpline acquired 90% of the capital of an Italian company, later re-named Everience Italy;
- Neurones IT acquired approximately 20% of the capital of Aezan Services;
- Neurones IT acquired approximately 0.4% of the capital of Mobiapps from a manager of this company.

They also carried out other operations as follows:

- Neurones IT contributed, with effect from January 1, 2020, a complete and autonomous branch of activity to its subsidiary, Visian;
- Neurones IT, which already held 20% of the capital of Aezan Services, subscribed to its capital increase to reach a 51% stake;
- Neurones IT incorporated Scalesquad in order to make a partial contribution of assets to this subsidiary;
- Visian carried out a capital increase in cash (resulting in the creation of 14,016 new shares), to which a senior executive and two managers of the company subscribed;

- Mobiapps incorporated Upgrade with a view to making a partial contribution of assets to this subsidiary;
- Helpline delivered a bonus share attribution plan by issuing new shares representing slightly more than 0.1% of the capital;
- Cloud Temple carried out a capital increase for cash subscribed to by two of the company's executives and two managers, resulting in the issue of 74,890 new shares representing slightly less than 0.6% of the capital;
- AS International Group bought back 848 of its own shares (less than 0.06% of the capital);
- Codilog Eliance issued 1,254 new shares, representing approximately 0.3% of the capital, in order to deliver a bonus share attribution plan;
- Columbus Consulting carried out two capital increases in order to deliver two Bonus share attribution plans, resulting in the issue of 2,400 new shares and another capital increase for cash reserved for employees who are members of the company savings plan, leading to the creation of 3,464 shares. These three increases represent, at December 31, 2020, slightly less than 1.4% of the company's capital;
- Intrinsec Sécurité carried out a capital increase for cash resulting in the creation of 13,274 new shares representing approximately 4.5% of the post-operation capital, to which one of the company's executives and five managers subscribed;
- Arondor incorporated Arondor Software in order to make a partial contribution of assets to this subsidiary.

Some of these operations led to a change in NEURONES S.A. percentage stakes in certain Group companies.

## Main business activity of operational entities

The contributions\* to the Group's main consolidated aggregates are summarized hereafter:

(in thousands of euros)	Company	Contribution to 2020 revenues *	Contribution to 2020 operating profit *	Contribution to 2020 net profit *
Parent company	NEURONES	-	-117	434
Subsidiaries	Arondor	19,103	834	504
	AS International Group	50,400	5,240	3,505
	Codilog	46,828	4,778	3,130
	Colombus Consulting	28,302	3,393	2,212
	DataQuantic	1,887	84	61
	Deodis	23,600	2,461	1,609
	Dragonfly	58,828	6,778	4,558
	Edugrroupe	9,074	1,524	1,035
	Finaxys	32,178	2,009	1,249
	Helpline	162,989	14,348	9,769
	Karré	52	-25	-25
	Neurones IT	76,362	7,137	4,592
	RS2i	14,886	3,420	2,353
<b>TOTAL</b>		<b>524,489</b>	<b>51,864</b>	<b>34,986</b>

\* After eliminating inter-company flows and including sub-subsidiaries.

## 2. NEURONES S.A. STATUTORY FINANCIAL STATEMENTS

### Comments on the business activity during FY 2020

Revenues amounted to €136.9 million compared to €131.8 million in the previous year. They were comprised of a minor amount of fees for services to subsidiaries and primarily cross-charges for sales made by Group companies to corporate accounts that contracted with the parent company (thereby fulfilling the role of unique point of billing).

The operating result amounted to a loss of €40,000. After including the dividends from subsidiaries, financial income was €4.2 million. The Company's net income was a profit of €3.7 million.

### Future outlook

Since January 1, 2000, NEURONES S.A. has been a holding company that combines the following functions: Group management, finances, legal, marketing and communications and overall relations with a few key accounts. The Company aims to merely balance its current operating expenditures by charging back its services to its different subsidiaries.

### Allocation of profit

In light of positive retained earnings of €65,986,186.82 and profit for the year of €3,698,492.67, the distributable income stands at €69,684,679.49.

A motion will be put to the Shareholders' Meeting to distribute a dividend of €2.00/share, namely a total estimated at €48,435,432 (\*). The retained earnings account would thus decrease to €21,249,247.49.

The dividend payment date would be June 11, 2021.

The sum distributed this way between shareholders is fully eligible for the 40% tax allowance provided for in article 158-3.2° of the French General Tax Code.

The following dividends were distributed during the past three fiscal years:  
2017: €0.06 per share,  
2018: €0.06 per share,  
2019: €0.20 per share,

\* Calculation based on the number of shares in circulation at December 31, 2020 (i.e., 24,217,716), which will be adjusted if necessary.

## 3. OTHER FINANCIAL INFORMATION

### Subsequent events

No known events at March 3, 2021 had a significant impact on the Group's financial structure. The Covid-19 crisis and its consequences do not pose a going concern risk.

### Vendor payment terms (statutory financial statements)

The vast majority (>95%) of NEURONES S.A. purchases are made with Group companies. At December 31, 2020, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/20 by maturity date (in thousands of euros, taxes incl.)	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Intra-Group	76	(1)	-	302	29,513	29,890
Third parties	268	42	131	278	386	1,105
<b>TOTAL</b>	<b>344</b>	<b>41</b>	<b>131</b>	<b>580</b>	<b>29,899</b>	<b>30,995</b>
Number of invoices concerned			91		2,191	2,282
% of the value of purchases for the year					18.5%	

The term of payment used to calculate late payments is: net 60, date of invoice, or net 45 end of month.

For intra-Group suppliers, past due invoices not settled correspond to situations where adjustments are necessary with the end clients. Past due invoices concerning third party suppliers that aren't yet paid at December 31, 2020 correspond to disputes.

At December 31, 2019, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/2019 by maturity date (in thousands of euros, taxes incl.)	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Intra-Group	86	38	203	351(*)	30,225	44,239
Third parties	30	21	31	246	1,133	1,461
<b>TOTAL</b>	<b>116</b>	<b>59</b>	<b>234</b>	<b>13,933</b>	<b>31,358</b>	<b>45,700</b>
Number of invoices concerned			1,055		2,044	3,099
% of the value of purchases for the year					20.3%	

\* Restated by €13.336 million corresponding to a bank transfer not debited at December 31.

## Client payment terms (statutory financial statements)

At December 31, 2020, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/20 by maturity date <i>(in thousands of euros, taxes incl., excl. unbilled revenue)</i>	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Third parties	564	735	1,694	1,278	28,199	32,470
Intra-Group	18	5	(51)	81	132	185
<b>TOTAL</b>	<b>582</b>	<b>740</b>	<b>1,643</b>	<b>1,359</b>	<b>28,331</b>	<b>32,655</b>
Number of invoices concerned	557				1,824	2,381
% of the value of sales for the year					17.2%	

The term of payment used to calculate late payments is: net 60 (date of invoice) or net 45 end of month.

Late payments by corporate clients are related to the complexity of their accounts payable channels (payment authorization, etc.). The share of past due invoices corresponding to disputes is in the minority. Most often they involve requests to correct details (number of half-days, overtime hours, etc.). They are generally settled out of court.

At December 31, 2019, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/20 by maturity date <i>(in thousands of euros, taxes incl., excl. unbilled revenue)</i>	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Third parties	1,150	644	916	3,919	27,682	34,311
Intra-Group	19	2	25	96	897	1,039
<b>TOTAL</b>	<b>1,169</b>	<b>646</b>	<b>941</b>	<b>4,015</b>	<b>28,579</b>	<b>35,350</b>
Number of invoices concerned	675				1,803	2,478
% of the value of sales for the year					18.1%	

## Research and development activity

Research and development investments are made in each Group company. The costs, corresponding to the time spent, are expensed in the year they are incurred and are not capitalized. Significant development expenses that meet the IAS 38.57 definition have not been identified.

## 4. SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF THE BUSINESS ACTIVITY AND COMMITMENTS TO SOCIETY REGARDING SUSTAINABLE DEVELOPMENT

These aspects are reviewed in Chapter 2 ("Extra-Financial Performance Statement - EFPS") of this Annual Financial Report.

## 5. STOCK OPTIONS

All the authorizations granted by various Shareholders' Meetings, as well as all the plans decided on the basis of these authorizations, expired in previous years.

## 6. SPECIAL REPORT ON THE BONUS SHARE ATTRIBUTIONS

Pursuant to the provisions of article L.225-197-4 of the French Commercial Code, the purpose of this report is to inform shareholders about the attributions of bonus shares during FY 2020 decided by the Company or its affiliates, to employees of the Company or its affiliates and to corporate officers.

### Attributions of bonus shares of NEURONES

At its meeting of September 9, 2020, the Board of Directors decided to grant 54,500 bonus shares, representing approximately 0.23% of the capital, to twelve beneficiaries who are employees of the company or of four of its subsidiaries (Plan H).

The vesting period was set at three years and the shares attributed to each beneficiary will then be delivered to them provided that they have been an employee or corporate officer of the company or of an affiliated company within the meaning of article L.225-197-2 of the French Commercial Code throughout the vesting period. The length of the holding period is set at two years.

The following table presents the characteristics of the two bonus share plans in a vesting or holding period at December 31, 2020.



	Bonus share plan G	Bonus share plan H
Date of the Shareholders' Meeting	06/14/2018	6/4/2020
Date of the Board of Directors meeting	06/14/2018	9/9/2020
Vesting period duration and term	3 years - 6/15/2021	3 years - 9/10/2023
Holding period duration and term	2 years - 6/15/202	2 years - 9/10/2025
Number of employee beneficiaries (NEURONES and affiliates)	6 (6 and 0)	12 (4 and 8)
Number of corporate officer beneficiaries (NEURONES and affiliates)	-	-
Number of bonus shares attributed	13,000	54,500
Cumulative number of expired shares at 12/31/2019	-	-
Number of shares in the vesting period at 12/31/2019	13,000	54,500
Number of shares expired during the vesting period over the year	2,500	-
Number of shares in the vesting period at 12/31/2020	10,500	54,500
Number of shares in holding period at 1/1/2020	-	-
Number of shares in holding period at 12/31/2020	-	-
Potential dilution (excluding canceled options) - % of capital at 12/31/2020	0.05%	0.23%

### Attributions of bonus shares of companies affiliated with NEURONES

Note that no NEURONES senior executive has ever been attributed bonus shares in subsidiaries due to the duties and functions exercised in these companies. Nor have they benefitted from bonus shares in controlled companies (as defined in Article L.233-16 of the French Commercial Code) due to the duties and functions that they could exercise there.

The attribution of bonus shares decided during FY 2020 by the NEURONES' affiliates are described hereafter.

#### Attribution of bonus shares by Codilog Eliance

On September 1, 2020, the Chairman decided to attribute 1,261 bonus shares (i.e., approximately 0.3% of the share capital on the date of the decision) to eight beneficiaries.

The definitive attribution date was set at September 1, 2022, provided that each beneficiary remains an employee or executive officer of the Company or an employee an affiliated company throughout the vesting period.

#### Attribution of bonus shares by Intrinsec Sécurité

On September 22, 2020, the Chairman decided to attribute 6,637 bonus shares (i.e., approximately 2.4% of the share capital on the date of the decision) to six beneficiaries.

The vesting period will end on September 22, 2022, the date when the bonus shares will be delivered to beneficiaries who have remained continuously in the company or an affiliated company.

	Codilog Eliance Plan	Intrinsec Sécurité Plan
Date of the Shareholders' Meeting	5/28/2020	9/21/2020
Date of attribution by the President	9/1/2020	9/22/2020
Unit value of a share at the attribution date	€48.08	€23.73
Number of bonus shares attributed	1,261	6,637
Vesting period term	9/1/2022	9/22/2022
Holding period term	N/A	N/A
Total number of beneficiaries	8	6
Number of beneficiaries who are corporate officers of the company	1	1
Number of bonus shares attributed to this executive officer or officers	310	2,107
Number of employee beneficiaries of the Company or an affiliated company	7	5
Number of bonus shares attributed to these employees by category	Managers: 951	Managers: 4,530
Number of bonus shares attributed to each of the 10 company employees who are not corporate officers and who received the most bonus shares attributed	1: 312 2: 200 3: 125 4: 104 5: 84 6-7: 63	1: 1,580 2: 1,054 3: 843 4: 632 5: 421

The following are the plans attributed by affiliated companies in years prior to FY 2020 and still in the vesting period at December 31, 2020 (listed in chronological order of the vesting period):

	Helpline Plan (1) 2019	Experteam Plan 2019	Neurones IT Plan 2019	Colombus Consulting Plan (2) 2017	Cloud Temple Plan 2019	Cloud Deodis 2019	Helpline Plan (2) 2019	Colombus Consulting Plan (2) 2018	Colombus Consulting Plan (2) 2019	Colombus Consulting Plan (3) 2019
Date of the Shareholders' Meeting	5/24/2019	5/17/2019	5/24/2019	7/19/2017	11/26/2019	1/10/2019	5/24/2019	10/25/2018	10/15/2019	10/15/2019
Date of attribution by the President	5/24/2019	5/24/2019	7/15/2019	9/9/2017	11/28/2019	1/10/2019	5/31/2019	10/26/2018	12/13/2019	12/13/2019
Vesting period term	5/25/2021	5/25/2021	7/16/2021	9/9/2021	11/27/2021	1/11/2022	4/1/2022	10/26/2022	12/13/2022	12/13/2023
Number of bonus shares attributed	4,733	60,066	24,750	1,000	289,010	7,721	41,715	2,230	2,000	1,200
- of which attributed to corporate officers	1,007	24,351	7,000	-	-	3,507	18,915	-	-	-
Total number of beneficiaries	13	4	9	11	7	3	17	11	5	10
- of which to the Company's corporate officers	1	1	1	-	-	1	2	-	-	-
Number of shares expired between the attribution date and December 31, 2020	-	-	-	200	76,513	-	-	150	-	-
Number of shares in the vesting period at December 31, 2020	4,733	60,066	24,750	800	212,497	7,721	41,715	2,080	2,000	1,200
Percentage of the company's share capital concerned at December 31, 2020	0.11%	0.35%	1.14%	0.19%	2.19%	1.65%	0.95%	0.50%	0.48%	0.29%

## 7. TREASURY SHARES - TREASURY STOCK

At December 31, 2020, the company held 9,855 of its own shares, which are included in the balance sheet of its liquidity contract.

## 8. EMPLOYEE STATUTORY PROFIT SHARING

We inform you that the employees don't hold any Company shares through a Company Savings Plan, a Company Mutual Fund or covered by the period of unavailability provided for in article L.3324-10 of the French Labor Code.

## 9. AUTHORIZATION FOR THE COMPANY TO ACQUIRE ITS OWN SHARES AND TO REDUCE THE CAPITAL BY CANCELLING TREASURY SHARES

Implementation of a scheme for the Company to buy-back its own shares falls within the scope of Article L.22-10-62 of the French Commercial Code.

The Shareholders' Meeting held on June 6, 2019 authorized the Company to buy-back its own shares subject to the following main terms and conditions:

- term of the authorization: eighteen months from the date of the Shareholders' Meeting (i.e., until December 6, 2020),
- maximum share of capital to be acquired: 10%,
- maximum purchase price: €30 per share,
- maximum share acquired with a view to the subsequent remittance on exchange or as payment: 5% of the capital.

Based on this authorization, the Board of Directors implemented a buyback program with two objectives:

- support the share price through a liquidity contract concluded with CIC on August 1, 2019,
- subsequently cancel the shares bought back.

Between January 1 and June 4, 2020, 38,625 shares were acquired and 42,087 shares sold under this share buyback program to support the share price. At that date, 5,529 shares were recorded on the balance sheet of the liquidity contract at a value of €116,109.

Also under this program and in line with the second objective, the company acquired 68,146 shares between March 19 and April 6, 2020. At its meeting of June 4, 2020, the Board decided to reduce the share capital by cancelling these shares in accordance with the authorization given by the Shareholders' Meeting of June 6, 2019 (seventeenth resolution).

The Shareholders' Meeting of June 4, 2020 renewed the authorization granted to the Board of Directors to buy back the company's own shares. This new authorization rendered invalid the aforementioned prior authorization.

The main characteristics of the authorization in force are:

- term of the authorization: eighteen months from the date of the Shareholders' Meeting (i.e., until December 4, 2021),
- maximum share of capital to be acquired: 10%,
- maximum purchase price: €27 per share (excluding acquisition costs),
- maximum share acquired with a view to the subsequent remittance on exchange or as payment: 5% of the capital.

On the same day, the Board of Directors published the description of the share buyback program authorized by the Shareholders' Meeting and the effective implementation of this program as of June 5, 2020, with the same

two objectives as the one it replaced. The following operations carried out between June 5 and December 31, 2020:

- in connection with the objective of boosting the share price through the liquidity contract with CIC: acquisition of 59,624 shares and sale of 55,298 shares,
- no shares were purchased for cancellation.

Thus, at December 31, 2020, the company held 9,855 of its own shares, which were included in the balance sheet of the liquidity contract, at a value of €230,607.

The Company would like to retain the opportunity to purchase its own shares for the following potential purposes:

- to cancel them subsequently,
- to cover:
  - stock option plans and other forms of allocating shares to employees and/or corporate officers of the Group, especially for profit-sharing, a company savings plan (CSP) or the attribution of bonus shares,
  - financial securities conferring the right to receive Company shares,
- to support the share price through an Investment Service Provider via a liquidity agreement pursuant to the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets), and
- to hold purchased shares for subsequent use as exchange or payment as part of an acquisition.

Consequently, a motion will be put to the Shareholders' Meeting of June 3, 2021 (nineteenth resolution) to renew the authorization given to the Board of Directors to buy back the Company's own shares with the following main terms and conditions:

- the authorization is valid for a period of 18 months from the date of the Shareholders' Meeting,
- the shares may be purchased by intervening on the market or by purchasing blocks, without any specific limitation for such block acquisitions,
- the maximum purchase price is set at €35 per share,
- the maximum number of shares that can be repurchased by the Company is limited to 10% of the total number of shares comprising the authorized share capital (for information, 2,421,771 shares based on the share capital at December 31, 2020, representing a maximum purchase amount, excluding acquisition fees, of €84,761,985), it being noted that the maximum number of shares acquired with the view of subsequently being exchanged or used as payment as part of external growth operations cannot exceed 5% of the capital,
- this number of shares and the purchase limit will be adjusted, if necessary, in the event the Company conducts any financial transactions or takes decisions affecting the share capital.

The Board of Directors will give shareholders, as applicable, in its report to the annual Shareholders' Meeting, all information related to share purchases and sales actually carried out.

This authorization would render invalid any previous authorization on the same subject and would thus replace the authorization given by the Shareholders' Meeting of June 4, 2020.

The Board of Directors will be responsible for implementing a share buy-back program.

Where applicable, and following a decision by the Board of Directors, the Company will distribute a description of the program, in accordance with the provisions of the AMF General Regulations in force, which can then be effectively implemented.

It should also be noted that the Shareholders' Meeting of June 6, 2019 renewed the authorization given to the Board of Directors, for a period of five years, to reduce the share capital by canceling treasury shares. The capital can be reduced once or several times by cancelling all or part of the treasury shares. A maximum of 10% of the shares comprising the share capital could be cancelled per 24-month period pursuant to the authorization.

## 10. ATTRIBUTIONS OF BONUS SHARES

The Board of Directors would like to have the possibility at any time to attribute bonus shares, a favorable mechanism that helps to strengthen the motivation and loyalty of beneficiaries, by associating them directly with the company's performance.

The current authorization is that granted by the Shareholders' Meeting of June 4, 2020, which is valid for a period of 24 months from the date of the Shareholders' Meeting (i.e. until June 4, 2022). The Board of Directors used this authorization by attributing 54,500 of the 120,000 authorized bonus shares. Under the current authorization, 65,500 shares may therefore still be attributed free of charge.

The Board of Directors reports to the shareholders, under the conditions defined by the current regulations, in a special report containing the information set out in Article L.225-197-4 of the French Commercial Code, on the bonus shares attributed pursuant to the authorizations granted by the Shareholders' Meeting to the Board of Directors.

## 11. AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

The Board of Directors wants to have the possibility to carry out capital increases in various contexts, in accordance with the terms and conditions mentioned in the Management Report and in chapter 6.3 of the last year's annual financial report. Accordingly, seven resolutions were submitted to the June 4, 2020 Shareholders' Meeting to this effect. These resolutions, which are extraordinary in nature, were approved by the Shareholders' Meeting and are valid for a period of 26 months (i.e. until August 2022).

The authorizations granted to the Board relate to the following matters:

- authorization to increase the share capital by issuing common shares giving, where applicable, the right to the attribution of other common shares or debt securities and/or any marketable securities conferring entitlement to common shares to be issued, with maintenance of shareholders' preemptive subscription right and/or by capitalization of reserves, additional paid-in capital and profits by attributing bonus shares and/or by increasing the par value of existing shares (19<sup>th</sup> resolution),
- authorization to increase the share capital by issuing common shares giving, where applicable, the right to the attribution of other common shares or debt securities and/or any marketable securities conferring entitlement to common shares to be issued, with cancellation of shareholders' preemptive subscription right, without indication of beneficiaries and by public offering (20<sup>th</sup> resolution),
- authorization to increase the share capital by issuing common shares giving, where applicable, the right to the attribution of other common shares or debt securities and/or any marketable securities conferring entitlement to common shares to be issued, with cancellation of shareholders' preemptive subscription right, by means of an offer as set out in Article L.411-2 II of the French Monetary and Financial Code (21<sup>st</sup> resolution),
- authorization to issue common shares and/or marketable securities conferring entitlement to the company's capital involving an increase in capital, as remuneration for contributions in kind consisting of equity securities or marketable securities conferring entitlement to the capital, when the provisions of article L.22-10-54 of the French Commercial Code are not applicable and up to a limit of 10% of the capital at the time of the issue (23<sup>rd</sup> resolution),
- authorization to issue common shares and/or marketable securities conferring entitlement to the Company's share capital in the event of a public exchange offer initiated by the Company (24<sup>th</sup> resolution).

For each of the issues decided pursuant to the authorizations granted in the 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> resolutions, the Shareholders' Meeting has authorized the Board to increase, at its sole discretion, in compliance with the overall ceiling set forth in the following resolution, up to a maximum of 15% of the initial issue, and at the same price as the initial issue, in accordance

with Article R.225-118 of the French Commercial Code, the number of common shares or marketable securities to be issued if the Board notes that there is excess demand (22<sup>nd</sup> resolution).

For all the issues that would be decided by the Board, by virtue of the authorizations granted above, the Shareholders' Meeting has set the ceiling on issues as follows (25<sup>th</sup> resolution):

- the maximum aggregate face value of the capital increases at nine million euros (€9,000,000), it being specified that this ceiling includes, where applicable, the face value of any additional shares that may be issued to preserve the rights of holders of marketable securities conferring entitlement to the share capital,

- the aggregate nominal value of marketable debt securities conferring entitlement to the company's share capital at ninety million euros (€90,000,000).

Furthermore, pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code and, as a result of the foregoing resolutions, the Board submitted to the Shareholders' Meeting of June 4, 2020 a resolution to carry out an increase in share capital, whose subscription would be reserved for members of a Company Savings Plan established in accordance with Articles L. 3332-18 et seq. of the Labor Code. This resolution was rejected by the Shareholders' Meeting.

## 12. STATUS OF THE CUMULATIVE DILUTION FOR THE DIFFERENT CAPITAL OPERATIONS

	Situation at 12/31/2020	Treasury shares (excluding liquidity contract)	Dilutive instruments stock options	Dilutive instruments bonus shares	Total
Number of shares	24,217,716	-	-	65,000	24,282,716
% dilution	-	-	-	0.27%	0.27%

## 13. SECURITIES TRANSACTIONS CARRIED OUT BY SENIOR EXECUTIVES

Pursuant to the provisions of Articles L.621-18-2 of the French Monetary and Financial Code and 223-26 of the AMF's General Regulations, the following share transactions carried out by the senior executives during FY2020 were reported.

On August 7, 2020, Luc de Chammard sold 88,584 shares on the market at a unit price of €24.85.

Between September 11 and 17, 2020, Bertrand Ducurtil sold 24,000 shares on the market at an average unit price of 24.12.

## 14. RISK FACTORS

The risk analysis is carried out in part 3 of this Universal Registration Document.

## 15. EXCEPTIONAL EVENTS, ONGOING LITIGATION AND LAW SUITS

As far as the senior executives are aware, there are no exceptional events or litigation that have had or are likely to have any significant repercussions on the Group's operations, assets or financial situation.

## 16. CONCLUSION

In conclusion, we ask you to approve the financial statements for the year ended December 31, 2020, the Board of Directors' management report and, consequently, to give the Board faithful discharge of duty for its management during the said year and to adopt the resolutions that will be submitted to your vote.

Board of Directors



## APPENDIX TO THE MANAGEMENT REPORT: TABLE OF THE LAST FIVE YEARS

(in euros)	2016	2017	2018	2019	2020
<b>Capital at year-end</b>					
• Share capital	9,697,545	9,697,545	9,714,345	9,714,345	9,687,086
• Number of common shares outstanding	24,243,862	24,243,862	24,285,862	24,285,862	24,217,716
• Number of preferred shares (without voting rights) outstanding	-	-	-	-	-
• Maximum number of future shares to create					
- by bond conversions	-	-	-	-	-
- by exercising voting rights	-	-	-	-	-
<b>Operations and income for the year</b>					
• Revenues (ex. VAT)	115,325,747	121,718,925	127,544,403	131,828,057	136,879,786
• EBIT, employee profit sharing and allocations to depreciation and provisions	3,494,403	1,388,043	5,809,299	7,484,448	4,232,597
• Corporate income tax	(432,912)	(205,183)	(326,053)	(188,421)	(476,354)
• Employee statutory profit sharing due for the year	-	-	-	-	-
• After tax income, employee profit sharing and allocations to depreciation and provisions	3,194,842	1,158,268	5,727,198	7,231,311	3,698,492
• Income distributed	1,454,632	1,454,632	1,457,152	4,857,172	48,435,432
<b>Earnings per share</b>					
• After tax income, employee profit sharing, but before allocations to depreciation and provisions	0.13	0.05	0.24	0.30	0.15
• After tax income, employee profit sharing and allocations to depreciation and provisions	0.13	0.05	0.24	0.30	0.15
• Dividend attributed to each share	0.06	0.06	0.06	0.20	2*
<b>Personnel</b>					
• Average number of salaried personnel employed during the year	18	18	19	18	20
• Payroll for the year	1,505,986	1,623,406	1,618,457	1,567,229	1,459,368
• Sums paid for fringe benefits for the fiscal year (Social Security, social services, etc.)	649,553	929,774	749,953	684,120	644,368

\* Subject to approval by the Shareholders' Meeting (third resolution) of June 3, 2021.

## 6.2. REPORT ON CORPORATE GOVERNANCE

This report on corporate governance has been prepared in accordance with the provisions of Articles L.225-37 et seq. of the French Commercial Code. It should be noted that as a medium-sized Group, with a majority shareholder among the senior executives, NEURONES has chosen to refer to MiddleNext's Corporate Governance Code (published in December 2009 and revised in September 2016).

### 1. CAPITAL AND SHARES

#### Disposal and transmission of shares

There are no statutory provisions restricting share transfers.

#### Double voting right

Each member of the Shareholders' Meeting has as many votes as he owns or represents. However, a double voting right is granted to all fully paid shares provided the shares have been registered in the same shareholder's name for at least four years. This right is granted from the time of issue, in case of a capital increase by incorporation of reserves, profits or additional paid-in capital, to registered shares freely attributed to a shareholder hold-

ing old shares entitled to this right. Every share that changes ownership loses this double voting right. Nevertheless, the transfer of ownership due to inheritance, the settling of communal estate between spouses or donation inter vivos to a spouse or relative entitled to inherit does not cause the acquired right to be lost and does not interrupt the four-year period, if it is underway. The merger of the Company has no effect on the double voting right, which may be exercised in the absorbing company, if the by-laws so provide.

#### Stripping

As provided by Article L.225-110 of the French Commercial Code, in a French limited company (société anonyme), the voting right attached to a stripped share belongs to the beneficial owner at ordinary Shareholders' Meetings and to the bare owner at extraordinary Shareholders' Meetings.

The Shareholders' Meeting of June 14, 2018 decided to depart from this rule, as authorized by law, by adopting an amendment of the bylaws whose purpose is to limit the voting rights of a beneficial owner to decisions concerning the allocation of profits.

## Changes in the distribution of capital and voting rights during the past three years

	Situation at December 31, 2018				Situation at December 31, 2019				Situation at December 31, 2020			
	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
<b>Senior executives</b>												
Host Développement	11,158,683	46%	22,127,366	53.1%	11,169,013	46%	22,127,696	53%	11,169,013	46.1%	22,327,696	54.6%
Luc de Chamcard and children	4,747,003	19.5%	9,484,006	22.8%	4,747,003	19.5%	9,484,006	22.7%	3,863,419	16%	7,726,838	18.9%
<b>SUBTOTAL JOINTLY CONTROLLED SHARES</b>	<b>15,905,686</b>	<b>65.5%</b>	<b>31,611,372</b>	<b>75.9%</b>	<b>15,916,016</b>	<b>65.5%</b>	<b>31,611,372</b>	<b>75.7%</b>	<b>15,032,432</b>	<b>62.1%</b>	<b>30,064,864</b>	<b>73.5%</b>
Bertrand Ducurtil and children	817,000	3.4%	1,604,000	3.8%	813,000	3.4%	1,626,000	3.9%	939,000	3.9%	1,728,000	4.2%
Other senior executives with registered shares	629,177	2.6%	1,170,344	2.8%	557,574	2.3%	1,093,148	2.6%	973,484	4%	1,466,968	3.6%
<b>SUBTOTAL SENIOR EXECUTIVES</b>	<b>17,351,863</b>	<b>71.5%</b>	<b>34,385,716</b>	<b>82.5%</b>	<b>17,286,590</b>	<b>71.2%</b>	<b>34,340,850</b>	<b>82.2%</b>	<b>16,944,916</b>	<b>70%</b>	<b>33,259,832</b>	<b>81.3%</b>
Employees with registered shares	202,370	0.8%	315,710	0.8%	184,870	0.8%	347,740	0.8%	188,870	0.8%	341,740	0.8%
Treasury shares	-	-	-	-	8,991	0%	-	-	9,855	0%	-	-
Public*	6,731,629	27.7%	6,961,163	16.7%	6,805,411	28%	7,094,133	17%	7,074,075	29.2%	7,294,063	17.9%
<b>TOTAL</b>	<b>24,285,862</b>	<b>100%</b>	<b>41,662,589</b>	<b>100%</b>	<b>24,285,862</b>	<b>100%</b>	<b>41,782,723</b>	<b>100%</b>	<b>24,217,716</b>	<b>100%</b>	<b>40,885,305</b>	<b>100%</b>

\* Registered shares (other than Group senior executives and employees) and bearer shares.

## Share lock-up undertakings/Shareholder agreements/Jointly controlled shares

### Share lock-up undertakings in effect

During fiscal year 2020, no new share lock-up agreements were entered into.

At December 31, 2020, none of the shares held by Luc de Chamcard or Host Développement as part of the donations to the Group's senior executives were subject to a collective share lock-up undertaking under Article 787 B of the General Tax Code, the last such undertaking having expired in July 2020.

The only collective share lock-up agreement in effect concerns Host Développement, Luc de Chamcard and his children.

### Shareholder agreements

None.

### Jointly controlled shares

Luc de Chamcard, his children and Host Développement (100% owned by Luc de Chamcard and his children) act in concert.

## 2. SHAREHOLDERS' MEETINGS

### Terms of participation and procedures

Shareholders' Meetings are convened and deliberate in the conditions laid down by law.

Meetings are held either at the registered office or at another location specified in the advance notice and the notice of meeting.

Attendance at the meeting is open to any shareholder who can furnish evidence of shares registered in his name, or in the name of the intermediary duly registered on his behalf, two working days before the meeting at midnight, either in the registered share accounts or the bearer share accounts held by his authorized intermediary.

Shareholders may also vote by correspondence or by proxy according to the legal and regulatory conditions. To be counted in the ballot, the form for postal or proxy votes, accompanied by share-holding certificates for bearer shareholders, must have been received by the Company or by the establishment holding the registered share accounts at least three days prior to the date of the meeting.

The meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director specially appointed for the purpose by the Board. Failing that, the meeting elects its Chairman.

Minutes of the meeting are taken and copies are certified and issued as required by law.

## Summary of delegations of authority and powers granted by the shareholders' meeting to the Board of Directors

Valid delegations of authority granted by the SM to the Board of Directors	Period of validity – End date of validity	Main conditions and ceilings	Use during the year
SM of 06/06/2019 (ordinary resolution): Company acquisition of its own shares (article L.22-10-62 of the French Commercial Code)	18 months - 12/5/2020 Replaced by the authorization granted by the Shareholders' Meeting of 6/4/2020	10% of the total number of shares. Maximum purchase price: 30 euros. Proportion of shares given as payment for acquisitions limited to 5% of the share capital	- Share price support: between January 1 and June 4, 2020, 38,625 shares were acquired and 42,087 shares were sold under the liquidity contract. - Shares purchased for subsequent cancellation: 68,146 shares were purchased between March 19 and April 6, 2020 with the objective of cancelling them.
SM of 6/4/2020 (ordinary resolution): Company acquisition of its own shares (article L.22-10-62 of the French Commercial Code)	18 months - 12/3/2021	10% of the total number of shares. Maximum purchase price: 27 euros. Proportion of shares given as payment for acquisitions limited to 5% of the share capital	Share price support: between June 5 and December 31, 2020, 59,624 shares were acquired and 55,298 shares were sold under the liquidity contract.
Shareholders' Meeting of 6/6/2019 (extraordinary resolution): Capital reduction by cancellation of treasury shares (articles L.225-204 and L.225-209 of the French Commercial Code)	60 months - 6/5/2024	10% of the capital per 24-month period	Capital reduction by cancellation of 68,146 treasury shares acquired for this purpose.
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Capital increase by issuing common shares and/or any marketable securities conferring entitlement to common shares, with preemptive subscription rights, and/or by incorporating reserves, profits or premiums	26 months - 8/3/2022	Maximum nominal amount of shares issued ("overall ceiling" applying to this authorization [thus including any issue made as a result of the granting of bonus shares] and to the five subsequent ones): €9 million, Maximum nominal amount of debt securities ("overall ceiling" applying to this and the next five authorizations): €90 million.	Not used
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Capital increase with cancellation of preferential subscription rights and by public offering	26 months - 8/3/2022	The maximum nominal amount of shares issued and the maximum nominal amount of debt securities are deducted from the overall ceiling. Up to a maximum of 10% of the capital per 12-month period, issue price at least equal to the average of the prices for the last 20 trading days, with the possibility of a maximum discount of 10%.	Not used
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Capital increase with cancellation of preferential subscription rights and by private placement	26 months - 8/3/2022	The maximum nominal amount of shares issued and the maximum nominal amount of debt securities are deducted from the overall ceiling. Total amount of immediate or future capital increases limited to 20% of the capital per year.	Not used
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Authorization to increase the amount of issues in the event of oversubscriptions	26 months - 8/3/2022	Within the overall ceiling, for each of the issues decided pursuant to the three preceding resolutions, the number of shares or securities to be issued may be increased if there is excess demand, up to a limit of 15% of the initial issue and at the same price.	Not used
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Issuance as consideration for contributions in kind	26 months - 8/3/2022	Within the overall ceiling and within the limit of 10% of the share capital at the time of the issue.	Not used

Valid delegations of authority granted by the SM to the Board of Directors	Period of validity – End date of validity	Main conditions and ceilings	Use during the year
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Issuance of shares in the event of a public exchange offer initiated by the Company	26 months - 8/3/2022	Up to the overall limit.	Not used
Shareholders' Meeting of 6/14/2018 (extraordinary resolution): Attributions of bonus shares, existing or to be issued (articles L.22-10- 59, L.22-10-60 and L.225-197-1 et seq of the French Commercial Code)	24 months - 6/13/2020 Replaced by the authorization granted by the Shareholders' Meeting of 6/4/2020	Maximum: 242,000 shares	Not used (Reminder: 13,000 bonus shares attributed in 2018 based on this authorization)
Shareholders' Meeting of 6/4/2020 (extraordinary resolution): Attributions of bonus shares, existing or to be issued (articles L.22-10- 59, L.22-10-60 and L.225-197-1 et seq of the French Commercial Code)	24 months - 6/3/2022	Maximum: 120,000 shares	Free attribution of 54,500 shares in September 2020

All of the resolutions are available on the company website ([www.neurones.net](http://www.neurones.net) – Investors – Shareholders' Meetings).

### 3. BOARD OF DIRECTORS

#### Composition and independence

At present there are seven directors on the Board of Directors:

- two members (CEO and the Executive Vice-President) have a full-time operational role in the Company,
- four outside directors, with no operational role in the Group, two of whom are considered independent,
- a director representing the employees (appointed by the Group Committee in June 2019).

Director	Independent director	Date of first appointment	End of current term of office
Luc de Chamard President and CEO	No	December 5, 1984*	SM of June 3, 2021
Bertrand Ducurtail Executive Vice-President	No	June 30, 1999	SM of June 3, 2021
Jean-Louis Pacquement	Yes	December 5, 1984*	SM of June 3, 2021
Hervé Pichard	No	Oct. 15, 2004	SM of June 3, 2021
Marie-Françoise Jaubert	Yes	June 9, 2011	SM of June 3, 2021
Host Développement SAS, represented by Daphné de Chamard	No	June 9, 2016	SM of June 3, 2021
Emmanuelle Canza, representing employees	No	June 7, 2019	Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023**

\* NEURONES' founding date.

\*\* Since the Committee has not decided not to renew the mandate from the Shareholders' Meeting approving the 2020 financial statements, the mandate is renewed for three years.

The powers of the Chairman & CEO and the Executive Vice-President are those provided for by law. The bylaws stipulate that the Board of Directors can limit these powers as an internal measure, which can't be enforced against third parties. This option has not been used.

The obligations relating to gender balance on the Boards of Directors are respected. Pursuant to article L.225-18-1 of the French Commercial Code, the difference between the number of directors of each gender is not greater than two.

Marie-Françoise Jaubert and Jean-Louis Pacquement are considered as independent directors based on the MiddleNext Code that NEURONES adheres to. They have never been employees or executive corporate officers of the Company or a Group Company. They have never been clients, suppliers or auditors of the Company or a Group Company and have no family ties to an officer or majority shareholder. Lastly, they are not themselves majority shareholders of the Company. No financial, contractual or family connection is thus likely to affect their ability to make independent judgments.

These directors' term of office expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020. Accordingly, a motion will be put to this Meeting to renew their term of office for one year, pursuant to the bylaws.

It should also be noted that based on the proposal of the Board of Directors, the Shareholders' Meeting of June 14, 2018 opted for the Group Committee to appoint the director representing the employees, in accordance with Article L.225-27-1 of the French Commercial Code.

#### Other offices held by the directors

The main function and other duties performed by the members of the NEURONES Board of Directors are described hereafter.

##### Chairman of the Board of Directors

Luc de Chamard, born on September 16, 1954

- Other offices held outside the Group:
  - CEO: Host Développement – 122, avenue Charles-de-Gaulle 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 339 788 713.



## Executive Vice-President

Bertrand Ducurtil, born on April 11, 1960

- Other offices held in the Group:
  - CEO: Neurones Consulting – 205, Avenue Georges Clemenceau – 92000 Nanterre – Nanterre Register of Commerce No. 509 152 468.
  - CEO: NG Cloud – 44, avenue Georges Pompidou – 92300 Levallois-Perret – Nanterre Register of Commerce No. 801 244 492.
  - CEO: RS2i – 44, avenue Georges Pompidou – 92300 Levallois-Perret – Nanterre Register of Commerce No. 385 166 640.
- Other offices held outside the Group:
  - Member of the Supervisory Board: Host Développement.

## Director

Marie-Françoise Jaubert, born on September 27, 1941, Honorary Magistrate.

- Other non-Group mandates: none.

## Director

Jean-Louis Pacquement, born on April 21, 1955, Senior Advisor for Lazard Frères Gestion Privée.

- Other offices held outside the Group:
  - CEO: JLP et Associés Conseil – 9, place du Palais Bourbon – 75007 Paris – Paris Register of Commerce No. 820 223 543.

## Director

Hervé Pichard, born on May 20, 1955, lawyer admitted to the Hauts-de-Seine and New York bars.

- Other offices held outside the Group:
  - CEO: Pichard et associés – 122, avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 391 504 628.
  - Director: Pichard et Cie – 122, Avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 552 139 057.
  - Director: SECO Ressources et Finances – 122, avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 429 837 172.
  - Director: UPM-Kymmene Groupe – 122, Avenue Charles-de-Gaulle 92200 – Neuilly-sur-Seine – Nanterre Register of Commerce No. 407 655 893.
  - Member of the Supervisory Board: Host Développement.

## Director

Host Développement, represented by Daphné de Chamard, born on March 17, 1949.

- Other offices held outside the Group:
  - Managing Director: Host Développement.

## Directors' experience (excluding senior executives)

Marie-Françoise Jaubert has proven experience in law and more specifically in private law. Daphné de Chamard (representing Host Développement SAS and spouse of Luc de Chamard) has 15 years of experience in HR and sales supervision. Jean-Louis Pacquement has significant experience in finance and mergers-acquisitions. Furthermore, he has the benefit of hindsight and the perspective of the "historic" director. Hervé Pichard brings his skills as a lawyer and company administrator and has been handling the company's main "corporate" cases for more than twenty years.

None of the directors above was employed by or maintained business relations with NEURONES, except Hervé Pichard, who is one of its lawyers.

## Frequency

Beyond the two annual sessions closing the annual and half-yearly financial statements that the statutory auditors participate in and the meeting held at the end of the annual Shareholders' Meeting, the Board meets whenever

the situation requires (e.g., opinion on potential acquisitions, decision to attribute bonus shares, calling an Extraordinary Shareholders' Meeting, contribution of assets, merger, etc.) and in any case at least four times per year.

The Board of Directors met five times in 2020:

Date	Agenda
March 4	<ul style="list-style-type: none"> <li>• Audit Committee Report</li> <li>• Related-party agreements</li> <li>• Approve the corporate and consolidated financial statements for fiscal year 2019</li> <li>• Compensation of the CEO and the Executive Vice-President</li> <li>• Adoption of the Management Report and the Corporate Governance Report</li> <li>• Call Shareholders' Meeting, establish the agenda and finalize draft resolutions</li> <li>• Various questions</li> </ul>
March 16	<ul style="list-style-type: none"> <li>• Launch of a share buyback program</li> </ul>
April 14	<ul style="list-style-type: none"> <li>• Procedures for the Shareholders' Meeting of June 4, 2020</li> <li>• Various questions</li> </ul>
June 4 (at the end of the Shareholders' Meeting)	<ul style="list-style-type: none"> <li>• Appoint the Chairman of the Board of Directors and establish his powers.</li> <li>• Renew the Executive Vice-President's term of office.</li> <li>• Compensation of the CEO and the Executive Vice-President, in view of the vote of the Shareholders' Meeting</li> <li>• Reduction of share capital by cancellation of treasury shares</li> <li>• Opportunities and strategy for external growth</li> <li>• Various questions</li> </ul>
September 9	<ul style="list-style-type: none"> <li>• Close the half-year consolidated financial statements</li> <li>• Professional and salary equality policy</li> <li>• Measures and procedures to prevent and detect cases of corruption or influence peddling</li> <li>• Review potential conflicts of interest</li> <li>• Risk mapping review</li> <li>• Implement a bonus share plan</li> <li>• Various questions</li> </ul>

In 2020, the attendance rate of the members of the Board of Directors was 86%.

## Operation

No specific rule has been established (ordinary law applies) concerning restrictions or bans on Directors participating in operations involving NEURONES' shares if they have inside information.

Nearly two thirds of the capital and three quarters of the voting rights are represented by two directors. Historically there has always been a wide distribution of powers within the Board. Logically, therefore, no specific provision has been established to ensure that control of the Group is not misused.

The company is especially concerned about protecting the interests of minority shareholders since they include many executives and managers of the parent company and its subsidiaries.

Consequently:

- all major decisions are taken in collegial discussions among senior executives and then with the Board of Directors,
- arrangements have been made for the Chairman's succession. In the event the CEO is unable to fulfill his duties, the long-standing plan has

been that the Executive Vice-President, who has been in the Company since 1991, will succeed the CEO. This is regularly confirmed at Board meetings when the issue of management succession is discussed. In addition, the Board has noted that the successor to the Executive Vice-President, if necessary, could be found among certain executive officers of subsidiaries who have been with the Group for a long time and have good knowledge of its operations and businesses,

- supervisory authority is exercised as described in this chapter,
- the rules of procedure of June 10, 2010 were revised during the session of September 7, 2016. The Directors are reminded in particular of their legal and ethical obligations. They clearly establish the role and missions of the Board and its operating procedures in accordance with the principles of good governance.

To date, there has been no formal self-assessment of the Board's work, as referred to in the MiddleNext Code. Nevertheless, the establishment of such a system is regularly considered.

The Board of Directors has set up two specialized committees (Audit Committee and Ethics and Compliance Committee), whose roles are specified below. There are no plans to set up other specialized committees (compensation, strategy, etc.). The Board of Directors believes that, given the collegiality that presides over all decision making, the size of the Group, its highly decentralized operation, the geographical proximity of the main subsidiaries, managers' association in the capital, the operational role of two of the six members of the Board of Directors and their high stake in the share capital, the establishment of committees reporting to the Board of Directors, apart from the Audit Committee and the Ethics and Compliance Committee, would present more disadvantages than advantages. Without prejudice to the reasons mentioned above, the Board of Directors does not exclude creating an ad hoc specialized committee, if the Company's current events warrant it.

#### Audit committee

The Committee is comprised of two directors, Hervé Pichard and Jean-Louis Pacquement, who chairs the committee.

Jean-Louis Pacquement, independent director, and Hervé Pichard have considerable experience and proven skills in financial and accounting matters. The Audit Committee met once in 2020, a meeting that its two members attended. The Board followed their recommendations. Concerning the statutory auditors' supplementary report for FY 2020, the discussions between the members of the Audit Committee and the statutory auditors took place before their report was submitted.

The main objective of this Committee is to monitor issues concerning the preparation and control of the accounting and financial information. It acts under the collective responsibility of the members of the Board of Directors. The Committee does not relinquish its decision-making power to the Board but defers and reports to it. Neither does it supersede the officers' prerogatives.

Without prejudice to the competences of the Board of Directors and senior management, the Audit Committee is responsible in particular for the following assignments:

- monitor the financial reporting process and, where appropriate, make recommendations to ensure its integrity,
- monitor the effectiveness of internal control and risk management systems concerning procedures related to the preparation and treatment of accounting and financial information,
- update the risk mapping on the above items, reviewed and approved by the Board once a year,
- issue a recommendation on the statutory auditors proposed for appointment by the Shareholders' Meeting or in the event of a proposal to renew their appointment,
- monitor the statutory auditors' performance on their assignment and take into account the conclusions of the Haut Conseil du Commissariat aux Comptes (French High Counsel of Statutory Auditors) following the controls carried out pursuant to the regulations,
- ensure that the statutory auditors comply with the independence criteria under the conditions and in accordance with the terms and conditions provided for by the regulations,
- approve in advance the provision of "Services Other than the Certification of the Financial Statements" by the statutory auditors, it being specified that the total amount of these services over a fiscal year may not exceed 70% of the average amount of the statutory auditors' fees for the last three fiscal years for the legal certification of the financial statements,
- report regularly to the Board on the performance of its assignments and immediately inform the Board of Directors of any problems encountered. It also reports regularly the results of the financial statements certification assignment, how this assignment contributed to the integrity of the financial information and the role it played in this process.

The Audit Committee has made sure that the statutory auditors are independent.

It may, if the conditions and situation warrant it, rely on special training courses and experts. However, the Board of Directors must first approve such uses. The Audit Committee may, any time it senses the need, meet with the statutory auditors as well as all members of the Group's finance departments.

#### Board of Director's work (closing financial statements)

The financial statements (balance sheet, income statement and notes) are terminated in general at the end of January (for the annual financial statements) and the end of August (for the half-yearly financial statements). The finance department prepares them and they are initially approved by the two directors who have an operational role in the Group.

These financial statements are then sent to:

- to the external directors, at the same time as the notice calling the Board meeting to close the financial statements, to which they are most often attached. The external directors then have several days to ask the two other directors or the finance department any questions they deem necessary. Furthermore, the members of the Audit Committee may meet with the statutory auditors or the finance department,
- to the statutory auditors who carry out their audit work.

At the end of their audit, a summary meeting is held with at least one director (usually the Executive Vice-President), the Group Chief Financial Officer and the statutory auditors. The statutory auditors share their observations and, if necessary, any requested adjustments. These points are discussed and, with the statutory auditors' agreement, the financial statements are presented to the Board of Directors. Before the Board of Directors meeting, the statutory auditors submit their supplementary report to the Audit Committee. On this occasion, the statutory auditors report to the Audit Committee on the scope and conclusions of their assignments as well as their comments. The Audit Committee may then ask the statutory auditors to provide more information on a key question addressed in the report. The objective of the supplementary report is to strengthen the value of the legal audit of the financial statements by improving the communication between the statutory auditors and the members of the Audit Committee.

During the Board of Directors meeting, the Audit Committee presents to the other directors the conclusions of its assignments, starting with the follow-up of questions concerning the preparation and control of the accounting and financial information. Where necessary, it formulates recommendations to ensure the integrity of these processes and to improve the review of the internal control work.

It then presents to the Board of Directors:

- the accounting principles and methods used,
- the main accounting options adopted,
- the impacts of possible changes in methods,
- changes in the scope of consolidation,

- the main figures (income items, presentation of the balance sheet and financial situation).

The annual parent company and consolidated financial statements, or the half-yearly consolidated financial statements as the case may be, are then approved by the Board of Directors, and the annual parent company and consolidated financial statements are then submitted to the Shareholders' Meeting for approval.

#### Ethics and compliance committee

In 2017, pursuant to law No. 2016-1691 of December 9, 2016 concerning transparency, the fight against corruption and the modernization of economic life (known as the Sapin II law), the Board of Directors approved the measures and procedures implemented in the Group to prevent and fight against corruption and influence peddling.

In particular, the Board approved the creation of an Ethics and Compliance Committee, comprised of the Group's Legal Officer and the Financial and Administrative Director, chaired by the latter. Its mission is to collect, where appropriate, reports issued by Group employees or clients, subcontractors and suppliers in the event of potential or actual non-compliance with the Code of Conduct. This committee specifies the measures in force, the inappropriate behaviors and the best practices. A warning system appears to be the most effective procedure when a failure to comply is detected. Protection is guaranteed for anyone who would report any proven failure to comply or any suspect or ambiguous situation. It is also guaranteed for members of the Committee who cannot be sanctioned by their employer for fulfilling this assignment. In addition to the role of handling any reports received, investigating and giving an opinion on the compliance of reported practices with the Group's Code of Conduct, the Committee:

- reviews, controls and monitors all of the Group's ethics and compliance practices,
- updates and evaluates at least annually the Ethics and Compliance Risk Map, as amended from time to time and approved annually by the Board,
- implements action plans following this evaluation,
- advises the Group on stakeholder relations on all matters relating to ethics and compliance.

Since 2019, the Ethics and Compliance Committee has presented the Board of Directors with an annual progress report on the process and a report on alerts. In 2020 the Committee has not received any reports of suspicious behavior or of an actual or potential situation of corruption or influence peddling from any employee, customer or supplier.

The Committee may, more generally, be heard by the Board whenever current events warrant it.

#### Related-party agreements

During fiscal year 2020, no new regulated agreements, as defined in Article L.225-38 of the French Commercial Code, were entered into.

NEURONES S.A. carries some pooled expense on behalf of its subsidiaries: finance, legal, marketing and Group general management. These costs are covered by back charging on a flat rate basis the companies concerned by this agreement. This is the only regulated agreement entered into and authorized in a prior fiscal year that continued to be performed in fiscal 2020.

This flat-rate back-charging of these pooled expenses is consistent with the parent company's budget and the costs are distributed based on the projected revenues of the companies concerned by this agreement. The sums back-charged in this regard by NEURONES S.A. are indicated in the auditors' special report on related-party agreements.

As every year, on the occasion of the Board meeting to close the accounts, the directors reviewed existing agreements, directly or through an intermediary, between, on the one hand, one of the corporate officers

of NEURONES S.A. or one of the shareholders with more than 10% of voting rights and, on the other hand, NEURONES S.A. or another company controlled by NEURONES S.A. within the meaning of article L.233-3 of the French Code of Commerce. The list of these agreements, drawn up by identifying the financial flows, and including the evaluation elements, is sent to the members of the Board by the Chief Financial Officer and the Executive Vice-President. The persons directly or indirectly involved in these agreements do not participate in the evaluation. If the Board considers that an agreement is not or is no longer an unrestricted agreement, it will be subject to the regulatory regime for regulated agreements. The Board's most recent assessment according to these procedures did not reveal any regulated agreements other than the one mentioned in this chapter.

The other existing agreements are unrestricted and unregulated agreements as defined in the legal and regulatory provisions. They relate to current operations concluded under normal conditions. Moreover, due to their purpose and their financial implications, these voluntary agreements are not significant for any of the parties.

## 4. CORPORATE OFFICERS' COMPENSATION AND BENEFITS

Under the provisions of the French Commercial Code, as amended by the Order of November 27, 2019 on the compensation of corporate officers of listed companies, the Shareholders' Meeting must decide ex ante on the compensation policy for corporate officers, whether or not they are senior executives. The compensation policy for corporate officers is presented below.

In addition, in accordance with Article L.22-34 of the French Commercial Code, the compensation of corporate officers is subject to an ex post vote by the Shareholders' Meeting on the information relating to compensation referred to in I of Article L.22-10-9. This information is also presented in this chapter.

Finally, the compensation paid or awarded to the Chairman and CEO during or for fiscal year 2020 is also subject to an ex post vote by the Shareholders' Meeting based on a specific resolution. The same applies to the compensation of the Executive Vice-President.

### Compensation policy applicable to corporate officers, subject to an ex ante vote by shareholders at the Shareholders' Meeting of June 3, 2021 (Article L.22-10-8 of the French Commercial Code)

This section sets out the elements of compensation and benefits of any kind attributable to the Directors, the Chairman and CEO and the Executive Vice-President.

The compensation policy for corporate officers complies with legal and regulatory provisions and the MiddleNext Code for Corporate Governance. It is in line with the corporate interest and contributes to the Company's commercial strategy and sustainability.

The Board does not make any provision to derogate from its application, as set out in this paragraph, in accordance with the second paragraph of paragraph III of Article L.22-10-8 of the French Commercial Code. Where applicable, newly appointed corporate officers shall be subject to the provisions of the latest compensation policy approved by the Shareholders' Meeting, without the possibility of making any significant changes thereto prior to approval by the Shareholders' Meeting.

Measures to avoid and manage conflicts of interest are prescribed by the Board's policies and procedures and, at least once a year, directors review actual or potential conflicts of interest that may arise.

The implementation of the compensation policy, determined by the Board at its first meeting of the year, is subject to continuous monitoring.

In developing, monitoring and reviewing compensation policy, the Board takes into account the terms and conditions of compensation and employment of the Company's employees.

No exceptional compensation may be awarded to corporate officers, nor may benefits in kind be granted.

The corporate officers do not benefit from the attribution of stock options or bonus shares.

No contractual compensation is provided for termination of their term of office or change of duties. They do not receive any termination benefits in the event of retirement nor do they benefit from a supplementary defined contribution pension scheme.

There is no non-competition agreement between the company and a corporate officer.

The officers and directors or members of their families do not own, directly or indirectly, any assets, especially real estate, used by the Company or the Group.

No loans or collateral have been granted or formed in favor of members of administrative or management bodies.

#### **Directors' compensation**

Directors, other than senior executives and employee representatives, receive compensation for their participation in the work of the Board and the Audit Committee, or any other committee that may be created in the future. For this purpose, and in accordance with the law, a global sum will be submitted each year to the Shareholders' Meeting for approval. For FY 2021, the proposed amount is identical to that proposed and approved for 2020, namely €20,000.

The share due will be paid to each director at the end of the fiscal year. It does not, of course, include the compensation paid to executive corporate officers, who are paid exclusively in accordance with the compensation policy applicable to them, as detailed below.

With the exception of the latter, and the employee representative, each director will receive a fixed annual share (€2,000 for the current fiscal year). It will be increased (by €1,000) for committee members, in particular the Audit Committee. A supplement (variable and €500 for this year) will be charged for each physical presence at Board meetings.

The breakdown of the maximum overall amount allocated by the Shareholders' Meeting takes into account the time spent in the position (including, for example, the surcharge for participation in the Audit Committee) and values professionalism and involvement. The variable portion, which may represent 45% (and more) of the total compensation, is an incentive to encourage regular attendance.

The actual amount owed each director for the previous year is calculated and paid at the beginning of the year. Any balance remaining from the maximum sum allocated by the Shareholders' Meeting is not redistributed. Conversely, in the event that the annual budget voted by the Shareholders' Meeting is theoretically exceeded, the portion paid to each director concerned will be capped in proportion to the amounts due. At its first annual meeting, the Board approves the individual amounts and their payment.

In addition, directors are reimbursed for any expenses they may have incurred in performing their duties.

#### **Senior executives' compensation**

The executive compensation policy, which is subject to approval by the Shareholders' Meeting of June 3, 2021, is fully in line with the compensation policy approved by the Shareholders' Meeting of June 4, 2020.

Thus, each of them (Chairman and CEO and Executive Vice-President) received a fixed cash sum of €220,000 annually, divided into twelve monthly installments over the calendar year. This amount is set by the

Board at its first annual meeting. It may be reconsidered at the meeting following the Annual Shareholders' Meeting asked to approve the financial statements, depending on the vote of the Annual Shareholders' Meeting.

This remuneration is therefore fixed and excludes any variable (short, medium or long term) or exceptional component and any benefit in kind, whether immediate or deferred.

Their particularly reasonable nature respects the social interest and contributes to the Company's sustainability. In addition, they are fully commensurate with the size and complexity of the Group and the experience of the people involved. They are below the amounts recorded in the sector, comparing them with those of companies of similar size and/or performance. Their rationale is proven by comparing them with the compensation of the senior executives of the other companies in the Group.

This compensation is therefore balanced, consistent and measured, taking into account both the Company's short and medium-term performance, even though it is not directly indexed to the latter. The same qualifiers apply if they are reconciled with the Group's general policy on salaries, including senior executives, to market practices or to NEURONES' overall interest.

Balance, extent and comparability with the compensation of sector companies of comparable size and/or performance and consistency with the salary hierarchy in Group companies are the main principles that structure the compensation of the executive corporate officers.

They also benefit from the collective death and disability insurance scheme in force for employees and corporate officers of other Group companies, as well as the joint health insurance scheme.

### Elements of the compensation policy per corporate officer

The following table summarizes, for each corporate officer, the elements of compensation and the *minimum* information required by paragraph II of Article R.22-10-14 of the French Commercial Code:

	Luc de Chamard Chairman and CEO	Bertrand Ducutil Executive Vice- President	Jean-Louis Pacquement	Hervé Pichard	Marie-Françoise Jaubert	Host Développement SAS, represented by Daphné de Chamard)	Emmanuelle Canza
Fixed remuneration	Paid in 12 monthly installments during the fiscal year	Paid in 12 monthly installments during the fiscal year	Paid in one instalment at the beginning of the next fiscal year	Paid in one instalment at the beginning of the next fiscal year	Paid in one instalment at the beginning of the next fiscal year	Paid in one instalment at the beginning of the next fiscal year	No
Variable compensation	No	No	Paid at the same time as the fixed remuneration	Paid at the same time as the fixed remuneration	Paid at the same time as the fixed remuneration	Paid at the same time as the fixed remuneration	No
Exceptional compensation	No	No	No	No	No	No	No
Bonus shares or options	No	No	No	No	No	No	No
Duration and end of term	1 year / SM of June 3, 2021	1 year / SM of June 3, 2021	1 year/SM of June 3, 2021	1 year/SM of June 3, 2021	1 year/SM of June 3, 2021	1year/SM of June 3, 2021	6 years* / SM held in 2024
Employment contract with the Company	No	No	No	No	No	No	No (employee of a subsidiary of the Company)
Supplementary pension plan	No	No	No	No	No	No	No
Allowances or benefits due to termination or change of duties	No	No	No	No	No	No	No
Indemnities relating to a non-competition clause	No	No	No	No	No	No	No
Benefits in kind	No	No	No	No	No	No	No
Group benefits and health expenses plan	Group plan benefits applicable to Group employees	Group plan benefits applicable to Group employees	No	No	No	No	Group plan benefits applicable to Group employees

\* Renewal of the mandate for a period of three years as from the Shareholders' Meeting held in 2021 to approve the financial statements.

### Report on compensation (Article L.22-10-9 of the French Commercial Code)

#### Directors' compensation

Non-executive directors are compensated for their activity on the Board since FY 2020. They do not receive any special benefits from the company or from a company included in the scope of consolidation as defined in Article L.233-16 of the French Commercial Code.

Since the Board is composed in accordance with the provisions of Article L.225-18-1 of the French Commercial Code, the provisions of the second paragraph of Article L.225-45 of the French Commercial Code do not apply to the directors' compensation for performing their duties in 2020.

#### Compensation paid or attributed during or for fiscal year 2020 to executive corporate officers, benefits and other commitments

Senior executives' compensation, as described below, paid or attributed during or for FY 2020, is in accordance with the policy approved by the Shareholders' Meeting of June 4, 2020 (twelfth resolution) and contributes to the Company's long-term performance.

During FY 2020, no payments were made to the Chairman and CEO or the Executive Vice-President for previous fiscal years.



The details of the compensation paid or attributed for fiscal years 2018 and 2020 to each executive corporate officer are as follows:

(in euros)	Luc de Chamard Chairman and CEO		Bertrand Ducurtil Executive Vice-President	
	2019	2020	2019	2020
Fixed remuneration	220,000	220,000	220,000	220,000
Variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Compensation related to directorship	None	None	None	None
Options or shares granted during the year	None	None	None	None
Supplementary pension plan (defined benefit or defined contribution)	None	None	None	None
Indemnities for taking up or leaving office	None	None	None	None
Indemnities related to a non-competition clause	None	None	None	None
Amounts collected under the Group benefits and health expenses plan	None	None	None	None
Benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>

All compensation due for FY 2020 was paid during the fiscal year.

No compensation was paid or attributed to executive corporate officers by a company included in the NEURONES consolidation scope as defined in article L.233-16 of the French commercial code.

#### Compensation ratios and changes

In accordance with the provisions of 6° and 7° of Article L.22-10-9 of the French Commercial Code, the level of compensation of the executive corporate officers in relation to the average compensation and median compensation on a full-time equivalent basis of the Group's employees and changes over five years in such compensation, ratios and the Company's performance criteria are presented below.

The Board has chosen to consider all employees of the Company and its subsidiaries, in France and abroad. Employee compensation includes fixed and variable compensation where applicable, but does not take into account any profit-sharing and incentive bonuses and benefits in kind.

	2016	2017	2018	2019	2020
<b>NEURONES' performance</b> (in thousands of euros)					
Net profit – Group share	25,200	27,300	26,000	30,800	30,900
Change N / N-1	+18%	+8.4%	-4.8%	+18.5%	+0.4%
<b>Employee compensation</b> (in euros)					
Average compensation	38,100	39,000	38,900	39,200	39,500
Change N / N-1	+0.8%	+2.4%	-0.3%	+0.8%	+0.8%
Median compensation	34,950	35,950	36,100	36,250	36,500
Change N / N-1	0%	+2.9%	+0.4%	+0.4%	+0.7%
<b>Chairman and CEO</b>					
Compensation	200,000	200,000	220,000	220,000	220,000
Change N / N-1	0%	0%	+10%	0%	0%
Ratio/average compensation of employees	5.25	5.13	5.66	5.61	5.57
Change N / N-1	-0.8%	-2.3%	+10.3%	-0.8%	-0.7%
Ratio / median compensation of employees	5.72	5.56	6.09	6.07	6.03
Change N / N-1	+0%	-2.8%	+9.5%	-0.4%	-0.7%
<b>Executive Vice-President</b>					
Compensation	200,000	200,000	220,000	220,000	220,000
Change N / N-1	0%	0%	+10%	0%	0%
Ratio/average compensation of employees	5.25	5.13	5.66	5.61	5.57
Change N / N-1	-0.8%	-2.3%	+10.3%	-0.8%	-0.7%
Ratio / median compensation of employees	5.72	5.56	6.09	6.07	6.03
Change N / N-1	+0%	-2.8%	+9.5%	-0.4%	-0.7%

## 5. COMPLIANCE WITH THE RECOMMENDATIONS OF THE MIDDLENEXT CORPORATE GOVERNANCE CODE

As a medium-sized Group, with a majority shareholder among the senior executives, NEURONES has chosen to refer to the MiddleNext Corporate Governance Code.

The following table presents NEURONES' situation regarding all of this Code's 19 recommendations:

MiddleNext Code recommendation	Compliance	Application procedures or reasons for non-application
R1: Director ethics	Y	NEURONES is compliant. The minimum number (one) of shares that should be held by each director is indicated in the Board's rules of procedure. These rules also stipulate that a director exercising an "executive" office should not hold more than two other directorships in listed companies, including foreign companies, outside the Group.
R2: Conflicts of interest	Y	No known conflicts of interest. The rules of procedure stipulate the obligation for the director to inform the CEO immediately of any conflict of interest situation, even potential, and to then refrain from participating in any vote concerning this conflict directly or indirectly. Directors are asked, at least once a year, at a Board meeting, to confirm that they are not in a potential conflict of interest situation. At this time, the Board also reviews any known cases and assesses the measures, taken and to be taken, to best manage these situations.
R3: Composition of the Board of Directors – Presence of independent members	Y	It has two members who are presumed to be independent based on the criteria set out in the Code (see "Composition and independence" in Chapter 3 of this report).
R4: Board member information	Y	Before holding a Board meeting, NEURONES gives the directors, with sufficient lead-time so they can review and ask any question they deem useful, all of the information needed to review the meeting agenda. In general, directors are provided with the information they should know, if the current situation warrants it. The principles and methods of providing the information are mentioned in the Board's rules of procedure.
R5: Organization of Board meetings and committees	Y	The frequency and duration of meetings allows for in-depth examination of the agenda. They are held with the physical presence of the directors, except in exceptional situations where video-conferencing can be used (which was the case on four occasions in 2020 due to the health context). The Board meetings are subject to minutes and the number of meetings and the participation rate of directors is published in the report on corporate governance, which also describes the composition of the Board. There are at least four meetings (minimum indicated in the rules of procedure revised in 2016) of the Board per year.
R6: Creation of committees	Y	NEURONES has decided, based in particular on its size and needs, to establish an organization with just two specialized committees: an Audit Committee and an Ethics and Compliance Committee (see "Operation" section in chapter 3 of this report).
R7: Introduction of Board rules of procedure	Y	The rules of procedure on the whole comply with the recommendation.
R8: Choice of each director	Y	The information concerning a person whose appointment as director is proposed and the information concerning the directors whose renewal of term of office is on the agenda are sent to the shareholders and posted on the Company's website before the Shareholders' Meeting.
R9: Directors' term of office	Y	In practice and from experience, the statutory duration of terms of office (one year, renewable) is conducive to the Board's efficient operation. Due to this duration, the renewal of directors cannot be staggered.
R10: Directors' compensation	Y	The thirteenth resolution of the next Shareholders' Meeting, called to vote on the 2020 financial statements, provides a global envelope for directors' compensation. This sum will be distributed in accordance with the compensation policy defining objective distribution criteria and taking into account in particular the regular attendance and investment of each member.
R11: Introduction of Board evaluation	N	To date there is no formal self-assessment of the Board's work. This point is nevertheless regularly taken into consideration by the Board.
R12: Relationship with shareholders	Y	In addition to professional meetings (investor fairs, road shows, SFAF [French financial analysts society] presentations, etc.), which enable the managers to perfect their analysis, the Chairman and CEO, the Executive Vice-President and the Chief Financial Officer communicate regularly with shareholders to provide them with any information deemed useful, provided that it does not constitute inside information.
R13: Definition and transparency of the compensation of executive corporate officers	Y	The compensation policy for executive corporate officers is based on the following principles: completeness, balance and measurement, consistency with market and Group practices and in relation to Company and Group performances. The annual disclosure to shareholders on this subject is fully transparent. There are no variable elements in senior executives' compensation (see Chapter 4 of this report).
R14: Preparation for the succession of executive officers	Y	The subject of the succession of senior executives, the Chairman and CEO and the Executive Vice-President, is regularly discussed at a Board of Directors meeting.
R15: Corporate officers and employment contracts	Y	No employment contracts given to serving corporate officers.
R16: Golden handshakes	Y	No provision for golden handshakes.
R17: Supplementary retirement schemes	Y	No supplementary retirement schemes.
R18: Stock-options and attribution of bonus shares	Y	The corporate officers have not benefited from the attribution of bonus shares since 2007 and no stock-options have been attributed since 1999.
R19: Review of crucial points to monitor	Y	During a Board of Directors meeting in 2017, the directors formally confirmed that they have read and understood the MiddleNext Code's crucial points to monitor. On this occasion, they were asked to review them regularly. In addition, the current director representing employees was informed of these crucial points to monitor in 2019, at the same time as she signed the Board's rules of procedure, prior to attending her first Board meeting. At the September 9, 2020 meeting, the directors expressly confirmed their knowledge of and compliance with the crucial points to monitor.

## 6.3. DRAFT RESOLUTIONS SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING OF JUNE 3, 2021

The resolutions presented hereafter were approved by the Board of Directors and will be submitted to the Shareholders' Meeting. They may be supplemented by the shareholders who have the power to do so, in accordance with the procedures and within the time limits set by law. The rationale for certain resolutions is also indicated in the management report or the report on corporate governance.

### *Presentation and rationale - 1<sup>st</sup> and 2<sup>nd</sup> resolutions*

The first two resolutions allow, after reading the Board of Directors' reports, the company annual financial statements, the Group consolidated financial statements and the statutory auditors' reports, to give an opinion on the NEURONES consolidated and corporate financial statements for the year ending December 31, 2020 and as presented in the "Consolidated financial statements" and "Corporate financial elements" sections of the 2020 Universal registration document.

### First resolution

#### Approval of the consolidated financial statements

The Shareholders' Meeting, after having reviewed:

- the management report,
  - the corporate governance report, and
  - the auditors' report on the consolidated financial statements,
- 1) approves the consolidated financial statements for the year, showing a net profit (Group share) of €30.9 million,
  - 2) approves, in addition, all of the operations and measures reflected in these financial statements or summarized in the Board of Directors' management report.

### Second resolution

#### Approval of the Company financial statements

The Shareholders' Meeting, after having reviewed:

- the management report,
  - the corporate governance report, and
  - the auditors' report on the Company financial statements,
- 1) approves the financial statements for the fiscal year, which show net income of €3.7 million,
  - 2) approves, in addition, all of the operations and measures reflected in these financial statements or summarized in the management report.

### *Presentation and rationale - 3<sup>rd</sup> resolution*

With this third resolution, the Board of Directors, after noting the distributable profit for fiscal year 2020 and in view of the substantial cash surplus, proposes that shareholders approve the distribution of an exceptional dividend of €2.00 per share. This significant amount makes up for the years with no or low dividends and thanks the shareholders for their loyalty. The difference between the dividend calculated based on the number of shares composing the capital at December 31, 2020 and the dividend actually paid will be charged to retained earnings. This dividend is fully eligible for the 40% allowance mentioned in 2° of Article 158 of the French General Tax Code.

### Third resolution

#### Allocation of profit and distribution of a dividend

In light of positive retained earnings of €65,986,186.82 and profit for the year of €3,698,492.67, the Shareholders' Meeting notes that the distributable income stands at €69,684,679.49.

The Shareholders' Meeting decides to distribute a dividend of €2/share for a total of €48,435,432\*. Retained earnings will then stand at €21,249,247.49.

\* Calculation based on the number of shares comprising the capital at December 31, 2020 (i.e., 24,217,716), which will be adjusted if necessary.

The dividend will be ex-dividend as of June 9 and payable on June 11, 2021.

The amount thus distributed among the shareholders is fully eligible for the 40% allowance provided for in Article 158-3.2° of the French General Tax Code.

Pursuant to the legal provisions, the following dividends were distributed during the past three fiscal years:

2017: €0.06 per share,  
2018: €0.06 per share,  
2019: €0.20 per share,

### *Presentation and rationale - 4<sup>th</sup> resolution*

The Board of Directors reviewed agreements between, directly or through an intermediary, a corporate officer of NEURONES S.A. or one of the shareholders with more than 10% of voting rights and the company or another company controlled by NEURONES S.A., according to the methods set out in the report on corporate governance. This assessment showed that no new regulated agreement had been concluded during FY 2020. Only the agreement relating to the re-invoicing of shared expenses, concluded and authorized during a previous fiscal year and which continued to be executed, is a regulated agreement. The fourth resolution thus proposes to note that the statutory auditors' special report on regulated agreements and commitments with third parties does not mention any new agreements.

### Fourth resolution

#### Regulated agreements and commitments

The Shareholders' Meeting notes that the statutory auditors' special report on the agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code does not mention any new agreements.

### *Presentation and rationale - 5<sup>th</sup> resolution*

The Board of Directors proposes to the Shareholders' Meeting to approve its management during the 2020 fiscal year. The discharge is obviously only a release from liability for acts of management that the Shareholders' Meeting has been made aware of and which it has been able to ascertain.

### Fifth resolution

#### Faithful discharge of duty

The Shareholders' Meeting gives the Board of Directors full, final and unconditional discharge for its management as at December 31, 2020.

*Presentation and rationale - 6<sup>th</sup> to 11<sup>th</sup> resolutions*

The following six resolutions concern the renewal of the terms of office of the company's directors, which expire at the Shareholders' Meeting of June 3, 2021, in accordance with the provisions of the Bylaws that set their term of office at one year (renewable). The term of office of the Director representing the employees, appointed by the Group Committee, is not concerned. The qualifications, and more generally the information concerning the directors, are mentioned in the Corporate Governance Report, in the chapter "Board of Directors".

**Renewal of Directors' terms of office**

**Sixth resolution**

The Shareholders' Meeting decides to renew the Directorship of Mr. Luc de Chammard, for one year, namely until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, who has declared that he accepts the renewal of his term of office.

**Seventh resolution**

The Shareholders' Meeting decides to renew the Directorship of Mr. Bertrand Ducurtail, for one year, namely until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, who has declared that he accepts the renewal of his term of office.

**Eighth resolution**

The Shareholders' Meeting decides to renew the Directorship of Mrs. Marie-Françoise Jaubert, for one year, namely until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, who has declared that she accepts the renewal of her term of office.

**Ninth resolution**

The Shareholders' Meeting decides to renew the Directorship of Mr. Jean-Louis Pacquement, for one year, namely until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, who has declared that he accepts the renewal of his term of office.

**Tenth resolution**

The Shareholders' Meeting decides to renew the Directorship of Mr. Hervé Pichard, for one year, namely until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, who has declared that he accepts the renewal of his term of office.

**Eleventh resolution**

The Shareholders' Meeting decides to renew the Directorship of Host Développement SAS, represented by Mrs. Daphné de Chammard, for one year, namely until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, who has declared that she accepts the renewal of her term of office.

*Presentation and rationale - 12<sup>th</sup> resolution*

In accordance with legal provisions, the Board of Directors must submit to the Shareholders' Meeting for approval the compensation policy for corporate officers, whether or not they are executives. This policy is described in the Corporate Governance Report of the 2020 Universal Registration Document.

**Twelfth resolution**

**Approval of the compensation policy applicable to corporate officers ("say on pay" *ex ante*)**

The Shareholders' Meeting, having reviewed the report of the Board of Directors on corporate governance, approves, pursuant to Article L22-10-8 II of the French Commercial Code, the compensation policy applicable to corporate officers, as presented in the section "Compensation policy applicable to corporate officers" within the chapter "Compensation and benefits of corporate officers" of the Corporate Governance Report of the 2020 Universal Registration Document.

*Presentation and rationale - 13<sup>th</sup> resolution*

The Directors, other than senior executives and Directors representing employees, receive compensation for their activity on the Board of Directors. In accordance with the legal provisions, the Board of Directors must submit to the Shareholders' Meeting a resolution to set an annual ceiling for directors' compensation in 2021. This global sum, in whole or in part, will then be allocated among the directors concerned, in consideration of the compensation policy, which is the subject of the previous resolution.

**Thirteenth resolution**

**Setting the total annual compensation of directors ("say on pay" *ex ante*)**

The Shareholders' Meeting, after having reviewed the Corporate Governance Report, decides to set, for fiscal year 2021, the amount of the annual fixed sum provided for in Article L.225-45 of the French Commercial Code to be allocated to the directors as compensation for their activity, at 20,000 (twenty thousand) euros.

*Presentation and rationale - 14<sup>th</sup> resolution*

In accordance with legal provisions, the Shareholders' Meeting must reach a decision on a draft resolution concerning the information mentioned in paragraph I of article L.22-10-9. These are the elements concerning the compensation paid and benefits granted, where applicable, to the various corporate officers, pursuant to the compensation policy and detailed in the Corporate Governance Report.

**Fourteenth resolution**

**Approval of information relating to the remuneration of corporate officers ("say on pay" *ex post*)**

Pursuant to Article L.22-10-34 of the French Commercial Code, the Shareholders' Meeting approves the information referred to in paragraph I of Article L.22-10-9 of the same Code, which is set out in the "Report on Compensation" section of the "Compensation and benefits of corporate officers" chapter of the Corporate Governance Report of the 2020 Universal Registration Document.

*Presentation and rationale - 15<sup>th</sup> and 16<sup>th</sup> resolutions*

In accordance with the provisions of the French Commercial Code, the Shareholders' Meeting must decide on the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during the past fiscal year or attributed for the same fiscal year by separate resolutions for the Chairman and CEO and the Executive Vice-President.

**Fifteenth resolution****Approval of the compensation of the Chairman and CEO  
("say on pay" *ex post*)**

The Shareholders' Meeting approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during or attributed for the fiscal year ending December 31, 2020 to Mr. Luc de Chamard, as presented in the paragraph "Compensation paid or attributed during or for fiscal year 2020 to executive officers, benefits and other commitments" in the section "Report on compensation" in the chapter "Compensation and benefits of executive officers" of the Corporate Governance report of the 2020 Universal Registration Document.

**Sixteenth resolution****Approval of the compensation of the Executive Vice-President  
("say on pay" *ex post*)**

The Shareholders' Meeting approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during or attributed for the fiscal year ending December 31, 2020 to Mr. Bertrand Ducurtil, as presented in the paragraph "Compensation paid or attributed during or for fiscal year 2020 to executive officers, benefits and other commitments" in the section "Report on compensation" in the chapter "Compensation and benefits of executive officers" of the Corporate Governance report of the 2020 Universal Registration Document.

*Presentation and rationale - 17<sup>th</sup> and 18<sup>th</sup> resolutions*

The term of office of one of the two statutory auditors (BM&A) will expire at the Shareholders' Meeting of June 3, 2021. In accordance with the provisions of the 2016 Order relating to statutory auditors, this appointment may be renewed one last time. It is therefore proposed that BM&A be reappointed for a period of six fiscal years. The term of office of its alternate auditor, Mr. Eric Blache, is also coming to an end. It is also proposed that he be reappointed for the same term as BM&A.

**Seventeenth resolution****Reappointment of a statutory auditor**

The appointment of BM&A, statutory auditor, expires at the end of this Meeting. The latter decides to renew the appointment for a six-year term, namely until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026.

**Eighteenth resolution****Reappointment of the alternate statutory auditor**

The appointment of Mr. Eric Blache, alternate auditor of BM&A, expires at the end of this Meeting. The latter decides to renew the appointment for a six-year term, namely until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026.

*Presentation and rationale - 19<sup>th</sup> resolution*

The Shareholders' Meeting of June 4, 2020 renewed the authorization given to the company to buy back its own shares. The characteristics of this current authorization and its use are specified in the chapter entitled "Authorization for the company to acquire its own shares and to reduce capital by cancelling treasury shares" in the Management Report of the 2020 Universal Registration Document.

Since the company wants to retain the opportunity to purchase its own shares, a motion will be put to the Shareholders' Meeting to renew the authorization given to the Board of Directors with the same four possible purposes and the following main terms:

- the authorization is valid for a period of eighteen months from the date of the Meeting,
- share buybacks may be carried out through market intervention or block purchases, with no particular limitation for such block purchases,
- the maximum purchase price is set at €35 per share,
- the maximum number of shares that may be repurchased by the company is limited to 10% of the total number of shares comprising the share capital, it being specified that the maximum number of shares acquired with a view to their subsequent delivery in exchange or as payment in the context of external growth operations may not exceed 5% of the share capital.

For information purposes, it is specified that, based on the share capital at December 31, 2020 (comprising 24,217,716 shares), the maximum number of shares that may be purchased by the company is 2,421,771, representing a maximum purchase amount of €84,761,985. This number of shares and the purchase price limit will be adjusted, if necessary, in the event the Company conducts any financial transactions or takes decisions affecting the share capital.

The Board of Directors will provide shareholders in its report to the annual Shareholders' Meeting, all information related to share purchases and sales actually carried out based on the authorization.

It should also be noted that the Shareholders' Meeting of June 6, 2019 renewed the authorization given to the Board of Directors by the Shareholders' Meeting of June 5, 2014 to reduce the share capital by canceling treasury shares. A maximum of 10% of the shares comprising the share capital could be cancelled per 24-month period pursuant to this authorization. The authorization was given for a period of five years and the Board made use of it during FY 2020, reducing the capital by cancelling 68,146 shares.

**Nineteenth resolution****Repurchase by the Company of its own shares (valid for 18 months)**

The Shareholders' Meeting, ruling pursuant to the provisions of article L.22-10-62 of the French Commercial Code, after having reviewed the Board of Directors' management report, authorizes, for a period not exceeding 18 months from this Meeting, the Board of Directors to purchase the Company's own shares in order to:

- 1) subsequently cancel them,
- 2) cover:
  - a. stock option plans and other forms of attributing shares to employees and/or to Group officers, especially for Company profit sharing, a Company Savings Plan (CSP) or the attribution of bonus shares,
  - b. financial securities conferring the right to receive Company shares,
- 3) support the share price through an Investment Service Provider via a liquidity agreement pursuant to the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets),
- 4) hold purchased shares for subsequent use as exchange or payment on the occasion of an acquisition.



The shares may be purchased by intervening on the market or by purchasing blocks, without any specific limitation for such block acquisitions,

The maximum price at which the shares would be acquired is set at €35 (excluding acquisition costs) per share.

The number of shares that the Company can purchase under these conditions can represent up to 10% of the Company's share capital, it being specified that the number of shares acquired with a view to their subsequent delivery in exchange or as payment in the context of external growth operations cannot exceed 5% of the share capital.

The Shareholders' Meeting grants all powers to the Board of Directors, which may delegate, for purposes of placing stock market orders, conclude agreements, make all declarations and perform all formalities with all organizations and, in general, do anything that is necessary.

The Shareholders' Meeting notes that this authorization supersedes any previous authorization for the same purpose.

## Twentieth resolution

### Powers

The Shareholders' Meeting gives all powers to the holder of a copy or extract of the minutes of this Meeting to fulfill all legal filing and publication formalities.

# 7 General information concerning the Company and its capital

## 7.1. DATA SHEET

### Company and trading name

NEURONES.

### Registered Office

Building “le Clemenceau 1” - 205, avenue Georges Clemenceau - 92000 - Nanterre - France.

### Legal form

The Company was set up as a French société anonyme (limited liability Company) with a Board of Directors governed by the French Commercial Code and the decree of March 23, 1967 on commercial companies.

### Nationality

French.

### Date of incorporation and duration of the Company

The Company was set up on December 5, 1984 for a term of 99 years, as of its registration in the Registre du Commerce et des Sociétés (French Company Trade Register) on January 15, 1985.

It will end on January 15, 2084, unless an extraordinary shareholders' meeting decides to extend the term or disband the company early.

### Corporate charter (Article 3 of the bylaws)

The purpose of the Company, in France, the French overseas departments and abroad, is to carry out directly or indirectly all transactions concerning: consulting, design, production, development, deployment, installation, support, operation and distribution of any IT and electronic systems, both for services and software, applications and hardware, and generally any operation related to information, communication and training processes.

To achieve its purpose, the company may:

- do business, subcontract, represent and commission,
- import and export,
- own, acquire, lease, fit out, equip or convert any building, work site, store or warehouse,
- acquire interests or holdings, by any means or methods, in any similar company or company likely to promote the development of its business, and
- generally carry out any commercial, industrial and financial operations pertaining directly or indirectly to its purpose.

### Company Trade Register

C.T.R. No. 331 408 336 Nanterre.

### Fiscal year

The fiscal year starts on January 1 and ends on December 31 of each year.

### Share capital

At December 31, 2020, the Company's share capital amounted to €9,687,086.40 divided into 24,217,716 fully paid-up shares with a face value of €0.40.

### Place where documents and information concerning the company may be consulted

The company bylaws, financial statements and reports, and the minutes of Shareholders' Meetings, can be consulted at its head office.

### Statutory distribution of profits (Article 18 of the bylaws)

The profit or loss for the year is comprised of the difference between income and expenses for the year, after deducting amortization, depreciation, impairment and provisions, as reported in the income statement.

Any earlier losses are deducted from the year's profit, then at least 5% is deducted and allocated to a reserve fund known as “legal reserves”. This deduction ceases to be mandatory when the legal reserves amount to one tenth of the share capital.

If there is an outstanding balance available, the Shareholders' Meeting decides to either distribute it, carry it over again, or enter it under one or more reserve items, which it decides how to allocate and use.

After having noted the existence of available reserves, the Shareholders' Meeting may decide to distribute sums drawn from these reserves. In this case, the decision shall expressly indicate the items from which the deductions are made.

For all or part of the dividend or interim dividend to be distributed, the Shareholders' Meeting is entitled to give shareholders the choice of whether the dividend, or interim dividend, is paid in cash or shares.

### The Group's organization

At December 31, 2020, NEURONES S.A. is the holding company of a Group comprised of 57 subsidiaries and “sub-subsidiaries” (control, direct or indirect, as defined in article L.233-3 of the French Commercial Code). The subsidiaries are all French and the head offices are grouped in the Paris region: Nanterre, Paris, La Défense (Puteaux) and Levallois-Perret. The head offices of the “sub-subsidiaries” are located in the Paris region, in Nantes and abroad (Germany, Belgium, Ivory Coast, United States, Great Britain, India, Italy, Romania, Singapore, Switzerland and Tunisia). Six Group companies, with headquarters in Nanterre, Nantes, Courbevoie or Paris, have 18 secondary entities (three in Lyon, two in Angers and Nantes and one each in Amiens, Bordeaux, Caen, Coutances, Lille, Massy, Neuilly-sur-Seine, Orléans, Puteaux, Toulouse and Tours).

The majority of subsidiaries and “sub-subsidiaries” are simplified joint stock companies (39 of them, all French). Fourteen are limited liability companies or equivalent legal forms abroad (one in France and 13 abroad). Finally, four are public limited companies with a Board of Directors (two in Tunisia, one in Switzerland and one in Ivory Coast).

The senior executives of the subsidiaries and “sub-subsidiaries” hold a minority stake (from less than 1% to slightly more than 49%) of the capital of the company they manage. Although they have the most extensive powers vis-à-vis third parties, these powers are governed by the bylaws as an internal measure and the different corporate officers must first request authorization from the Shareholders' Meeting for any decision exceeding day-to-day management.

## 7.2. CAPITAL AND SHARES

### Securities providing access to the capital

There are no current stock options.

In 2020, the Board of Directors decided to grant 54,500 bonus shares (plan H). At December 31, 2020, 65,000 shares were in the vesting period (plans G and H), with 2,500 shares under plan G having lapsed during FY 2020. These shares represent slightly less than 0.27% of the capital.

### Company buy-back of its own securities

The Shareholders' Meeting held on June 6, 2019 authorized the Company to repurchase its own shares. Based on this authorization, the Board of Directors has implemented a share buyback program with two objectives: to support the share price and to subsequently cancel any treasury shares acquired.

Under the second objective, the company acquired 68,146 shares in March and April 2020, which the Board decided to cancel at its meeting of June 4, 2020, thereby reducing the capital.

A new authorization for the same purpose, depriving the aforementioned authorization of its effect, was granted by the Shareholders' Meeting of June 4, 2020. On the same day, the Board decided to implement a share buyback program with the same two objectives as the previous program.

At December 31, 2020, the company did not hold any of its own shares under the second objective.

Under the objective of supporting the share price through the liquidity contract with CIC, 98,249 shares were purchased in 2020 and 97,385 shares sold in 2020. At December 31, 2020, the company held 9,855 of its own shares, which were recorded in the balance sheet of the liquidity contract, at a value of €230,607.

### Authorized capital

The Shareholders' Meeting of June 4, 2020 authorized the Board of Directors, for a period of 26 months (i.e., until August 2022), to increase the capital on one or more occasions by issuing, in France or on foreign markets, shares or financial securities conferring immediate or future entitlement to the company's capital and/or by capitalizing reserves, profits or premiums.

These issues may be carried out with or without preemptive subscription rights, potentially by public offering or private placement, and may not increase share capital by more than €9 million. Furthermore, the total par value of debt securities conferring entitlement to the capital may not exceed €90 million.

In compliance with these ceilings, the issue of common shares or financial securities conferring immediate or future entitlement to common shares in order to remunerate contributions in kind granted to the company and consisting of equity securities or financial securities conferring entitlement to the capital, where the provisions of Article L.22-10-54 of the French Commercial Code are applicable, may not exceed 10% of the share capital at the time of issue.

The Board of Directors did not use these authorizations in FY 2020.

### Thresholds and crossing of thresholds

Under Article L.233-7 of the French Commercial Code, every natural person or legal entity, acting alone or in concert, has the obligation to inform the Company and the AMF if they end up holding, directly or indirectly, more than one twentieth (5%), one tenth (10%), three twentieths (15%), one fifth (20%), one quarter (25%), three tenths (30%), one third (33.3%), one half (50%), two thirds (66.6%), nine tenths (90%) or nineteen twentieths (95%) of the capital or voting rights. This information is also given under the

same conditions when the capital stake or voting rights become less than the aforementioned thresholds.

The information must be sent to the Company and to the Autorité des Marchés Financiers (French financial markets authority), no later than before the close of trading on the fourth trading day following the day the threshold was crossed. The form of declaration and the methods of filing with the AMF are fixed by the AMF's instructions. The AMF shall make this declaration public, via its Decision and Financial Information Database, within three trading days of receiving the full declaration.

In addition, any market maker informs the AMF within five trading days that it conducts or intends to conduct market making activities for a given issuer. When it ceases to carry out these transactions, it shall also inform the AMF within the same period.

In addition, in accordance with Article 16 of the bylaws, every shareholder, acting alone or in concert, is required to inform the company when he ends up directly or indirectly holding shares representing 2% of the capital or voting rights. This duty of disclosure applies to every 2% fraction of the capital or voting rights.

During FY 2020, the following statutory threshold crossings were declared to the company:

- Financière de l'Echiquier's dropped below the 2% share capital threshold on January 21;
- Amiral Gestion dropped below the 4% capital threshold on July 30;

### Double voting right (Article 17 of the bylaws)

Shareholders have as many voting rights as they have shares, with no restrictions other than those laid down by law.

However, a double voting right is granted to all fully paid shares provided the shares have been registered in the same shareholder's name for at least four years.

### Stripping (article 8 of the by-laws)

In case bare ownership shares of the Company are donated with the donor retaining beneficial ownership, the voting right for these split shares shall belong to the bare owner for all decisions, whether ordinary or extraordinary, except for decisions concerning the allocation of profits for which the voting right shall belong to the beneficial owner.

## Change in share capital since the Company's founding

Date	Type of operation	Capital increase	Additional paid-in capital and contribution	Number of shares issued	Cumulative amount of share capital	
					Number of shares	Capital
December 1984	Company formed	-	-	-	8,000	F800,000
8/15/1985	Capital increase	F210,000	-	2,100	10,100	F1,010,000
6/30/1993	Company buy-back of its own securities and capital reduction	-	-	(4,954)	5,146	F514,600
6/30/1993	Capital increase by incorporating reserves and raising the share face value from F100 to F200	F514,600	-	-	5,146	F1,029,200
12/30/1997	Capital increase by incorporation of reserves and increase in nominal value from 200 F to 4,000 F	F19,554,800	-	-	5,146	F20,584,000
11/29/1999	Capital increase by incorporating reserves, converting capital into euros and raising the share face value to €1,500	F30,049,320.83	-	-	5,146	€7,719,000
11/29/1999	Share face value divided from €1,500 to €2	-	-	-	3,859,500	€7,719,000
4/5/2000	Share face value divided from €2 to €0.04	-	-	-	19,297,500	€7,719,000
5/23/2000	Capital increase during the listing on the stock exchange (Nouveau Marché/New Market)	€1,389,420	€29,872,530	3,473,550	22,771,050	€9,108,420
12/31/2004	Capital increase following the exercise of BSPCE (company creator stock options)	€30,488	€213,416	76,220	22,847,270	€9,138,908
12/31/2005	Capital increase following the exercise of BSPCE (company creator stock options)/stock options	€166,260	€1,163,820	415,650	23,262,920	€9,305,168
12/31/2005	Decrease in capital following the cancellation of a repurchased block of shares	-	-	(98,000)	23,164,920	€9,265,968
12/31/2006	Capital increase following the exercise of stock options	€33,353.60	€276,359.60	83,384	23,248,304	€9,299,321.60
12/31/2007	Capital increase following the exercise of stock options	€53,809.20	€402,778.20	134,523	23,382,827	€9,353,130.80
12/31/2008	Capital increase following the exercise of stock options	€10,916.40	€89,871.40	27,291	23,410,118	€9,364,047.20
12/31/2009	Capital increase following the exercise of stock options	€25,708	€238,298	64,270	23,474,388	€9,389,755.20
12/31/2010	Capital increase following the exercise of stock options	€34,682	€329,517	86,705	23,561,093	€9,424,437.20
12/31/2011	Capital increase following the exercise of stock options	€24,666.40	€253,087.50	61,666	23,622,759	€9,449,103.60
12/31/2012	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan C bonus share attribution	€54,762	€85,775.50	136,905	23,759,664	€9,503,865.60
12/31/2013	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan D bonus share attribution	€80,647.60	€(11,911.10)*	201,619	23,961,283	€9,584,513.20
12/31/2014	Capital increase following the exercise of stock options	€8,190.40	€101,915.40	20,476	23,981,759	€9,592,703.60
12/31/2015	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan E bonus share attribution	€99,847.60	€301,384.10	249,619	24,231,378	€9,692,551.20
12/31/2016	Capital increase following the exercise of stock options	€4,993.60	€42,445.60	12,484	24,243,862	€9,697,544.80
12/31/2017	-	-	-	-	24,243,862	€9,697,544.80
12/31/2018	Capital increase following the delivery of shares to the beneficiaries of the Plan F bonus share attribution	€16,800.00	-	42,000	24,285,862	€9,714,344.80
12/31/2019	-	-	-	-	24,285,862	€9,714,344.80
12/31/2020	Capital reduction by cancelation of treasury shares	-	-	(68,146)	24,217,716	€9,687,086.40

\* Additional paid-in capital relating to the capital increase following the exercise of stock options (€64,088.90), less the €76,000 deducted from the "share premium" item for the capital increase related to the delivery of the bonus shares attributed.

## 7.3. EMPLOYEE STATUTORY PROFIT SHARING AND OPTIONAL PROFIT SHARING

In addition to potential bonus share attribution plans, whose information is indicated in the special report provided for in article L.225-197-4 of the French Commercial Code, included in the management report and in Note 9.2 of the notes to the consolidated financial statements of this annual report, employees are entitled to statutory profit sharing when their business entity satisfies the required conditions. During the past five years, the total amounts allocated to statutory profit sharing and optional profit sharing for employees were as follows:

(in thousands of euros)	2016	2017	2018	2019	2020
Statutory profit sharing	2,344	2,257	3,391	3,890	3,380
Optional profit sharing	193	0	0	0	0
<b>TOTAL (statutory + optional profit sharing)</b>	<b>2,537</b>	<b>2,257</b>	<b>3,391</b>	<b>3,890</b>	<b>3,380</b>

## 7.4. PERSONS IN CHARGE OF AUDITING THE FINANCIAL STATEMENTS

### Statutory Auditors

#### KPMG S.A.

Tour Egho – 2, avenue Gambetta – 92066 Paris La Défense cedex  
Represented by Mr. Philippe Saint-Pierre.

Date of first appointment: appointed during the Shareholders' Meeting of June 25, 2004.

Date of current appointment: renewed during the Shareholders' Meeting of June 8, 2017.

End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2022.

#### BM&A

11, Rue Laborde – 75008 Paris

Represented by Mr. Jean-Luc Loir.

Date of first appointment: appointed during the Ordinary Shareholders' Meeting of June 30, 1997.

Date of current appointment: renewed during the Combined Shareholders' Meeting of June 4, 2015.

End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2020.

### Alternate Auditors

#### SALUSTRO REYDEL

Tour Egho – 2, avenue Gambetta – 92066 Paris La Défense cedex

Represented by Mr. Jean-Claude Reydel.

Date of first appointment (current appointment): appointed during the Shareholders' Meeting of June 8, 2017.

End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2022.

#### Mr. Eric Blache

11, Rue Laborde – 75008 Paris

Date of first appointment: appointed during the Combined Shareholders' Meeting of June 24, 2005.

Date of current appointment: renewed during the Combined Shareholders' Meeting of June 4, 2015.

End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2020.

### Person in charge of information

Luc de Chamard – NEURONES – Immeuble "Le Clemenceau 1"

205, avenue Georges Clemenceau – 92000 Nanterre (France)

Tel: +33 (0)1 41 37 41 37

### Affidavit of the person responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document, to the best of my knowledge, truly and fairly reflects the existing situation and contains no omissions that could impair its full meaning.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all of its consolidated subsidiaries, and further that the management report, included in this document, presents a true and fair view of the ongoing development and performance of the business, earnings and financial position of the Company and all of its consolidated subsidiaries as well as a description of the main risks and uncertainties to which they are exposed."

## 7.5. RELATED INFORMATION

### Information included for reference purposes

Pursuant to Article 19 of European Regulation No. 2017/1129, the following information is included by reference in this Universal Registration Document:

- the consolidated financial statements and the statutory auditors' report on these financial statements for the year ended December 31, 2018, appearing respectively on pages 70 to 88 and 89 to 90 of the Registration Document filed with the AMF on April 26, 2019 under number D.19-0417,
- the consolidated financial statements and the statutory auditors' report on these financial statements for the year ended December 31, 2019, appearing respectively on pages 75 to 94 and 95 to 96 of the Universal Registration Document filed with the AMF on April 24, 2020 under number D.20-0354.

### Publicly available documents

The following documents in particular are available on the company website ([www.neurones.net](http://www.neurones.net)):

- this 2020 Universal Registration Document,
- the 2019 Universal Registration Document and the Registration Documents for the years 2000 to 2018.

The company bylaws can be consulted at NEURONES' head offices: 205, avenue Georges Clemenceau – 92000 – Nanterre – France.

The 2017 and 2018 Registration Documents, the 2019 Universal Registration Document and the current 2020 Universal Registration Document are also available on the AMF website ([www.amf-france.org](http://www.amf-france.org)).



# Table of concordance of the Universal Registration Document

This table lists the main headings provided for in the European Commission's Delegated Regulation (EU) No. 2019/980 of March 14, 2019 and refers to the pages of this document where the information related to each of these headings is given.

Headings of Annex 1 and 2 of European Regulation No. 2019/980		Pages
1.	Persons responsible, third party information, expert reports and competent authority approvals	68, 93, 124
2.	Statutory auditors	93, 124
3.	Risk factors	70 to 73
4.	Information about the issuer	121 to 124
5.	Business overview	46 to 58
6.	Organizational Structure	56, 56, 109 to 112, 121
7.	Operating and financial review	74, 75
8.	Cash and capital resources	87
9.	Regulatory Environment	72, 78
10.	Trend information	58
11.	Profit forecasts or estimates	58
12.	Administrative, management and supervisory bodies and senior management	109, 110
13.	Compensation and benefits	112 to 115
14.	Board and management practices	110 to 112
15.	Employees	48, 61, 62
16.	Major shareholders	107
17.	Transactions with related parties	91, 112
20.	Financial information concerning the issuer's assets and liabilities, financial position and profits/losses	74 to 94
19.	Additional information	121 to 124
20.	Important contracts	47, 48
21.	Available documents	124



## 2020 UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

This universal registration document was filed with the Autorité des Marchés Financiers on April 27, 2021, in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of that Regulation.

The universal registration document may be used for the purposes of a public offering of marketable securities or the listing of marketable securities for trading on a regulated market if it is supplemented by a marketable securities note and, where applicable, a summary and any amendments to the universal registration document, all of which have been approved by the AMF in accordance with the aforementioned regulation.

This 2020 Universal Registration Document and Annual Financial Report is available at [www.neurones.net](http://www.neurones.net) - Finance - Regulated information.

# Glossary

The terms defined below essentially relate to NEURONES' various businesses. This glossary is therefore intended to facilitate the understanding of the technical words, acronyms and abbreviations used in the Group's publications, including this Universal Registration Document.

**AGILE (AGILE METHODS, SEE ALSO: PRODUCT OWNER, SCRUM MASTER):** software development technologies defined by the Agile manifesto (2001), as opposed to so-called traditional methodologies (V-model). Agile methods are interactive, encouraging regular and successive deliveries of versions and promoting the acceptance of functional changes during the project. Such projects largely involve the client or users meaning that their requests are met with greater responsiveness. Agile methods include: RAD (rapid application development, founded in 1991), the Scrum method (1995) and XP Extreme Programming (1999). While they avoid the "tunnel effect" (with users left without information during the long coding phase), often decried in traditional methodologies, they can reach their limits for complex applications requiring a global understanding of the data and their relationships.

**AI (ARTIFICIAL INTELLIGENCE):** set of theories and techniques used to create machines capable of simulating intelligence. With the increase in computers' processing and storage capacity, after promising demonstrations, AI has once again become a hot topic since the year 2000. For an IT department, the hopes with AI concern the automation of support services (see chatbots) and the predictive analysis of IT operating data (logs, etc.). Other concrete applications of AI could quickly affect different sectors of a company (accounting, legal analysis of contracts, scoring, etc.). For purely marketing reasons, many publishers (wrongly) claim that their software uses AI, even though they use traditional programming techniques.

**ANALYTICS:** data analysis. See Big data below.

**ANTIVIRUS (EPP, EDR):** a program that identifies, neutralizes and eliminates malware on workstations and servers. Traditional EPP (Endpoint Protection Platform) antivirus products are based on signature databases that need to be updated very frequently. More recent, EDR solutions (End Point Detection & Response, leading editor: CrowdStrike) are complements to traditional antivirus programs. that don't have the ability to detect certain new attacks, such as cryptolockers that can be executed without a file (the signature databases are inoperative in this case). The EDR detects abnormal behavior (data encryption attempt, registry access, script execution with privileges, etc.) and immediately stops the suspected process. The BDU is a tricky tool to install and maintain. When used incorrectly, it can block legitimate computer programs ("false positives"). The number of successful computer attacks, which have triggered long, complete shutdowns of large companies' information systems, is growing rapidly.

**API (APPLICATION PROGRAMMING INTERFACE):** interface that allows software programs to communicate with each other.

**APPLICATION SERVERS (N-TIER ARCHITECTURE) / ENTERPRISE PLATFORMS:** the development of "web-based" information systems can be defined as the construction of a new generation of applications built in three tiers: an Internet browser ("universal client" installed as standard on desktops or smartphones), an application server (Java, .Net) and finally

a database management system (Oracle, SQL, DB2, etc.). Hence, the term "three-tier architecture", as opposed to the so-called "client/server" architecture that preceded it. There are several products on the market: Microsoft.Net, Sun ePlanet and Java, IBM WebSphere, BEA-Weblogic and open source solutions such as Tomcat / PHP pages / Apache. These platforms for running J2EE and .Net applications are evolving rapidly and analysts now speak increasingly of "enterprise application platforms" rather "application servers".

**ASSISTANCE TO PROJECT OWNERS (FRENCH AMO: ASSISTANCE À MAÎTRISE D'OUVRAGE):** company assisting the project owner in defining its needs (drawing up the specifications and managing the call for tenders) and monitoring its relationship with the project owner during the project, its acceptance and during the guarantee period.

**BCP (BUSINESS CONTINUITY PLAN):** its objective is to continue operations without service downtime and ensure information is available, regardless of the problems encountered. The BCP is a subset of the DRP. (see below).

**BI (BUSINESS INTELLIGENCE, EQUIVALENT OF "DECISION MAKING"):** term encompassing all disciplines related to decision making. This ranges from data warehouse input to the publication of information (on the Internet or other media), including the creation of multi-dimensional cubes. This also includes datamining and analytical processing applications. BI is often integrated in the most recent concept of "data analytics".

**BIG DATA:** data sets (sources: (Web, mobile telephone systems, cameras, sensors, transactions, etc.) that are so large and so varied (relational, semi-structured, unstructured, etc.) and which are generated at such high speed that they become difficult to store in traditional or conventional databases and also difficult to analyze ("Big Analytics"). Researchers must therefore develop new tools to store (NoSQL, Google MapReduce, massively parallel databases such as Hadoop, etc.) and to analyze and extract value from these low density information data (algorithmic, inferential statistics, analytics, search, etc.). Big Data has applications in major scientific or public programs (e.g., tax applications for data cross-referencing), digital marketing (definition of customer profiles by analyzing transactions, Facebook photos, websites visited, etc.) and financial markets (information processing for trading robots).

**BLOCKCHAIN:** technology for storing and transmitting information without a central control unit. Technically, it is a secure and distributed database. It is shared by its different users, without intermediaries, which allows everyone to check the validity of the chain. The information sent by users is checked and grouped at regular time intervals into blocks, thus forming a chain. The entire chain is secured by 3> cryptography. This transaction security system is used on a large scale, for example for virtual currency transactions (bitcoins, etc.).

**BPM (BUSINESS PROCESS MANAGEMENT, WORKFLOW MANAGEMENT):** set of methods and application tools that automate and optimize a company's

processes, whether internal or involving third parties. One talks of integrating business processes into BPM. A classic case is customer management: their orders, online payments, file validation, management of their potential claims, etc. While independent of operational data and applications, BPM draws on the latter, often using EAI (see below). Leading BPM vendors are: Tibco Software, IBM Websphere Process Server, Webmethods (Software AG) and Weblogic (Oracle).

**BPO (BUSINESS PROCESS OUTSOURCING):** outsourcing, no longer just of IT, but more globally of a function or a process: accounting, payroll, subscriber management, etc.

**CERT (COMPUTER EMERGENCY RESPONSE TEAM):** team managing the response to a security incident or cyberattack: processing, containment and management of the return to normal and, also, prevention by disseminating information about the precautions to be taken to minimize the risks.

**CHATBOT (CONVERSATIONAL AGENT):** program that dialogs with a user while trying to reproduce a human conversation. The Internet user is asked to formulate his request in natural language, which will be refined by a friendly exchange. The chatbot is the natural extension of resolution trees, which are practical to treat simple, high-frequency incidents, effectively and efficiently as well as “self-help” solutions. Nevertheless, its development requires “extensive” configuration of the entire knowledge base, carried out by a chatbot-master (a new IT specialty). Hopes are driven by expectations of chatbots, which are spreading and are able to resolve certain incidents or requests without human intervention.

**CI/CD, CI/CD PIPELINE:** see Continuous Integration / Continuous Delivery.

**CLOUD COMPUTING:** provision of shared Infrastructure as a Service (IaaS), shared Platforms as a Service (PaaS) and Software as a Service (SaaS) “on demand” on private or public networks. For infrastructures, a distinction is made between the private cloud, already adopted massively, and the public cloud, which is taking off fast (e.g., Microsoft Azure, Amazon Web Services, Google Cloud Platform, etc.).

There are several forms of private cloud: the dedicated cloud (with infrastructure owned by one client) and the shared cloud (with infrastructure shared between several companies). A private cloud architecture will be deemed “complete” if services can be ordered on a self-service basis (provisioning), if the resources are then automatically allocated and, finally, if the services are billed on a per-use basis. As a result, many companies have captured significant gains through virtualization and rapid access to powerful shared infrastructures. Basically, in a typical private cloud, users pay their consumption “on demand” based on a number of server instances (CPU and memory), terabytes of storage and bandwidth. The IaaS and managed services provider provides a secure infrastructure consisting of shared and redundant virtual servers, storage capacity, networks and backups (including backup sites).

Public clouds, on the other hand, are more highly automated and have very powerful features. To take full advantage of these public clouds, applications must be compatible (i.e., either written in the latest environments or rewritten). Moving to the public cloud requires a preliminary application migration project. Billing is based on the actual use of resources (“pay as you go”), which requires vigilance on the part of user clients (see FinOps). Knowing the location of sensitive data is a security issue. This is why the major public cloud providers, most of them American, have set up data centers in Europe.

Most of the time, companies use both SaaS and several private and/or public clouds. This is known as a hybrid cloud and/or multi-cloud.

More globally, with the cloud, companies offload the management of all or part of their IT infrastructure (IaaS, PaaS) and/or application management (SaaS). The use of DevOps combined with the widespread use of the cloud profoundly changes how IT departments operate (processes, skills, etc.).

**CMDB (CONFIGURATION MANAGEMENT DATA BASE):** a database describing the components of an information system and the relationships between them. It is used to track changes made in their configuration. CMDB is a fundamental component of an IT facility's ITIL architecture. A good description of an information system in production isn't natural: documentation by process, choice of level of detail, redundancy, difficulties in performing updates, history management, etc.

**CMM (CAPABILITY MATURITY MODEL):** a repository of best practices in software development and maintenance. The model helps to optimize processes and evaluate the business on a maturity scale with five levels (initial, repeatable, defined, managed and optimized). Since 2006, this is the latest version of the model - the CMMI (I: Integration) - that has been used.

**CMS (CONTENT MANAGEMENT SYSTEM):** design and dynamic updating of websites or multimedia applications with the following functionalities: ability for several people to work on the same document at the same time, workflow with the possibility of putting document content online, separation of form and content management, content structuring (documents, blogs, forums, using FAQs, etc.), ranking users according to a hierarchy and attributing roles and permissions (anonymous user, administrator, contributor, etc.). CMSs should not be confused with Electronic Document Management (EDM - see hereafter) systems, which can be used to manage content within a Company.

**COLLABORATIVE - COLLABORATIVE PLATFORM:** set of tools and applications making it possible to work collaboratively in a department, a company or a Group and between people located on different sites. This tool set includes communication features (rapid peer-to-peer messaging, audio-conferencing, etc.), collaboration (file sharing with common updates), project management, process or workflow management tools, rights management (directory with photo gallery), a knowledge base, a discussion forum (with rating system for articles), multi-user instant messaging, an archiving system, personal pages, etc.

**CONNECTED DEVICES (IOT, INTERNET OF THINGS):** devices equipped with communication capabilities, which communicates via wireless devices. These can be mobile phones, sensors, terminals or everyday accessories. The Internet of Things (also known as IoT) and the processing of captured data are undergoing strong development.

**CONTENT INSPECTION:** content inspection filters the content of emails or websites to prevent misuse. Content inspection also detects mobile codes: small applications (applets) such as Java, ActiveX, .exe, which are often attached to emails and which are sometimes malicious.

**CONTINUOUS INTEGRATION / CONTINUOUS DELIVERY (CI/CD):** in applications development, a set of techniques that can be used to produce new versions very frequently or almost continuously (e.g., delivery of new functions or patches on a weekly basis or even more frequently), while achieving such low volumes of bugs that a bug tracker or a simple bug inventory monitor are no longer useful. These techniques mainly use version managers and environment and data management as well as test strategies, test automation and pipeline management of delivery.. In practice, CI/CD is always associated with DevOps, the Cloud and containers.

**COOKIE (SEE ALSO: DMP):** information sent by an Internet server to the Internet user's terminal, which the terminal then returns each time the said server is queried. Non-executable, the cookie is the equivalent of a small text file. Cookies contain residual personal information that can be used by data marketing specialists (see DMP). They can be used for authentication or to store specific information about the user, such as his preferences or the contents of an electronic shopping cart.

**CORPORATE SOCIAL NETWORK:** application platform that brings together a community of members for business purposes. The members

are the company's employees, clients, shareholders or partners. As with a "general public" social network, a corporate social network uses "profile sheets" highlighting the expertise of employees, their interests and a "wall" for monitoring activity, which provides a consolidated view of the ecosystem's activity (colleagues, communities, exchanges on a particular topic, etc.). Example: Microsoft Yammer.

**CRM (CUSTOMER RELATIONSHIP MANAGEMENT):** all Company functions aimed at winning and retaining clients. This term, which has replaced the term "front office", groups together the management of marketing operations, sales support, customer service, the call center and service desk. The CRM software packages on the market perform one or more of these functions.

**CROSS-CHANNEL (CROSS-CHANNEL MARKETING):** simultaneous or alternating use of different contact channels to market products and for customer relations. While cross-channel marketing and its increasing importance has been strongly affected by the widespread use of the Internet, multi-channel does not simply imply using digital channels. The historical means of contact (retail outlets, telephone, mail, etc.) should also be integrated. Multi-channel also facilitates adaptation of customers' needs and behaviors. It can also help reduce contact and sales costs. Conversely, the development of multi-channel communication imposes constraints on the company: consistency of messages and sales policy from one channel to another, historical records of contacts and actions on the different channels, etc. Increasingly, the customer is "multi-channel" during the same process: the information search phase on the Internet and then the purchase phase in the store, for example. Multi-channel has become so widespread that it no longer allows companies to differentiate themselves. Differentiation can only be achieved by managing multi-channel contact better than competitors. The goal therefore is to move from using multiple channels simultaneously, to a better overall organization of these channels (i.e., a cross-channel strategy).

**CYBERSECURITY:** see IT Security For specialists, cybersecurity has a larger dimension than IT security or information security since it includes cyber defense. In this document, the two terms are used indifferently.

**DATA CENTERS (OR HOSTING CENTERS):** processing centers that provide gains for companies by pooling equipment, software and services. Today, consolidated and virtualized servers (in high-density racks) and shared storage and backup systems (all of which consume a lot of electrical energy in terms of operation and cooling) are driving the sustained growth in the hosting market, since conventional machine rooms are no longer suited to the volumes processed. The latest generation of data centers provide the same computing power but consume less and less electricity.

Despite this rapid development, should not make us lose sight of the fact that the main issue for a data center is to manage servers effectively and efficiently: supervision, operation, backups, etc.

**DEVOPS:** movement to align the "Dev" (application development) and "Ops" (operations) teams around common objectives. DevOps should not be confused with Agile or Scrum development methodologies (see above and below), even though they are often implemented together. In concrete terms, DevOps is based on implementing software "tool chains" from design to production: project management (Jira), IDE integrated development environments (Eclipse or Visual Studio), "software forge" with partial automation of tests (SonarQube), source and compilation management (GitHub, Jenkins, Nexus, etc.), continuous deployment (XL Deploy or Octopus Deploy), automatic allocation of infrastructure resources (Ansible, CMP, API, etc.), self-service release (Python), etc. allowing very close successive releases. The teams that work in DevOps mode are small (about 10 people: "pizza teams" or "feature teams") and bring together new profiles: product owners, scrum masters, Dev engineers, Ops engineers. They manage their application or their group of applications without load splitting and theoretically without needing

the support of other teams. New participants, generally Internet "pure players", have implemented this new organization. It is harder to implement in environments with large legacy applications, of varying age and technology.

**DIGITAL (DIGITAL TRANSFORMATION):** use of new IT technologies (agile methods, DevOps, cloud computing, mobility, broadband networks, collaborative tools, social networks and blogs, connected devices, big data, analytics, security, Artificial Intelligence, predictive analysis, blockchain, etc.) that are potentially disruptive (causing profound upheavals) to create or rethink products and services, implement new business models (platforms, disintermediation, substitution, etc.), improve operational efficiency or set up new modes of internal collaboration. Digital transformation was initially the prerogative of marketing, sales and customer relations departments. The aim was to develop new uses and rethink the "customer journey" by integrating digital technology. It requires a mixed business and technological approach, with an essential upstream innovation phase (creative thinking workshops, serious games, design thinking, etc.). It applies to all sectors but above all the transportation, hotel and leisure, banking and insurance sectors (with the arrival of Fintech companies). It profoundly changes the relationship between the IT department and the other business lines in a Company. Digital transformation now concerns more generally the optimization of operational and support processes as well as the internal development of a digital and collaborative culture.

**DIGITAL MARKETING (DIGITAL MARKETING, WEB MARKETING):** marketing actions that use digital channels (computers, tablets, mobile phones, etc.). Digital marketing seeks to reach consumers in a personalized, highly targeted and interactive way: listening to needs via blogs and social networks, emails and newsletters, e-commerce sites, sites with online quotes and orders, "mobile first" sites, purchases of keywords, videos and banners, retargeting, affiliation, presence on social networks, blogs and also customer support. The term is used in contrast to traditional offline marketing: market research, press advertising, radio, television, loyalty programs and after-sales management. Digital marketing budgets are steadily increasing, at the expense of traditional marketing budgets.

**DIGITAL WORKPLACE (DIGITAL WORK ENVIRONMENT):** a set of technologies enabling professionals to access all of their work information and communicate and collaborate on their projects and activities. The digital work environment typically integrates a search engine, document management and a corporate social network. It follows the intranet, allowing work from home and flexible worktime and workspace.

**DMP (DATA MANAGEMENT PLATFORM, SEE ALSO COOKIE):** platform managing the marketing data of prospects and clients, especially cookies and their historization. DMPs are often enriched with external data (M/F, age, consumption habits, revenues/SSC, client or not, etc.) and interfaced with the CRM, with which they must not be confused. The DMPs can be used to create more precise client/prospect segments and to enrich media strategies. The leading vendors are: BlueKai (Oracle) and Krux (Salesforce).

**DRP (DISASTER RECOVERY PLAN):** plan to ensure that, in the event of a major or significant crisis in an information system, the infrastructure is reconstructed and applications are restarted. This plan should switch over to a backup system capable of taking over the IT systems in case of an accident. The plan includes several levels of recovery depending on the company's needs according to two parameters: the maximum recovery time following a major incident (RTO - Recovery Time Objective) and the maximum period of data loss (RPO - Recovery Point Objective - expressed in seconds, minutes, hours or days). When an incident happens, the analysis time leading to the decision to launch the DRP or not is always a difficult step as it requires decision makers to be present and it must take place within very short timeframes (this time is included in the overall RTO).

**DSC:** Digital Services Company. Acronym equivalent to SSII (IT services Company).

**EAI (ENTERPRISE APPLICATION INTERFACE OR ENTERPRISE APPLICATION INTEGRATION), ESB (ENTERPRISE SERVICE BUS):** computer tools allowing communication between applications that were not designed to work together. For example, production management with inventory management, CRM with ERP (see definitions above and below) or even between two ERP systems within the same Group. Although often achievable through an exchange of files, but without the benefit of real time, the integration of two applications requires the development of interfaces (called connectors) between their corresponding APIs (see definition above). Different API standardization projects have been conducted, but without much success. As such, specific EAI solutions were developed which manage a limited number of software packages on the market. The Enterprise Service Bus (ESB) is now considered to be the new generation of Enterprise Application Integration (EAI) built based on standards such as XML, Java Message Service (JMS) or web services. The major difference with EAI is that ESB offers a completely distributed integration through the use of service containers. These “mini-servers” contain the integration logic and can be placed at different locations on the network.

**ECM (ENTERPRISE CONTENT MANAGEMENT):** see Content Management below.

**EDGE COMPUTING:** a form of IT architecture that prioritizes data processing on devices at the edge of the network (sensors, smartphones, tablets, laptops, etc.). Rather than transferring data generated by connected devices to the cloud or a data center, it involves processing data directly where it is created, thus reducing bandwidth requirements.

**EDM (ELECTRONIC DOCUMENT MANAGEMENT):** computerized system for acquiring, filing, storing and archiving digital documents. 1 electronic publishing of incoming documents (mail received) or outgoing documents (bank statements or telephone operator invoices) are typical examples of edm applications. see also: Content Management.

**E-LEARNING:** refers to all distance-learning techniques, especially using the Internet, teleconferencing tools, etc.

**ERP (ENTERPRISE RESOURCE PLANNING):** software package grouping together all the management applications required by a company, whether “horizontal” applications (accounting, human resources management, etc.) or “vertical” applications (production management, stock management, etc.). There are generalist ERPs and others, specialized by industry. Unlike a package of specific software, ERPs have a single common infrastructure (shared databases, exchange mechanisms between modules) and generally include cooperation tools (groupware, workflow). Traditionally dealing with back office operations, these structuring tools have gradually been equipped with decision-making and front office functions. They have also become more open; their APIs (see definition above) have been made public by their publishers, so as to facilitate interfacing with more specialized software packages using, for example, EAI tools (see definition above). SAP is the most widely used ERP in large industrial companies.

**ESB (ENTERPRISE SERVICE BUS):** see EAI above.

**ETL (EXTRACT AND TRANSLATION LANGUAGE):** software tools that extract information from production databases and load them into another database (usually a “data warehouse”). The leading vendors are: Informatica, DataStage and Talend.

**FINOPS (CONTRACTION OF THE WORDS “FINANCE” AND “OPERATIONS”):** an approach to control its consumption in the public cloud and optimize it by making the right trade-offs: cost, speed (or agility) and

quality. In concrete terms, it's about understanding the bill, the cost drivers, and then taking action, for example, by turning off resources at night or actively unplugging some resources that are no longer used.

**FIORI (SAP FIORI):** latest generation user interface, developed by SAP and launched in 2013, which in particular allows you to use SAP on a mobile phone, tablet or screen.

**FRONT END, BACK END, FULL STACK (WEB DEVELOPMENT):** the “front end” refers to the elements of a site that you see on the screen and with which you can interact from a browser. The developer uses Photoshop templates and code in HTML, CSS, JavaScript and jQuery. These programming languages are interpreted by the browser, which displays a “visual” result. These include in particular fonts, drop-down menus, buttons, transitions, sliders, contact forms, etc. The “back end” developer administers the application and the database. It generally uses languages like PHP, Ruby, Python and frameworks like Symfony. More and more developers have both back end and front end skills. They are called “full stack” developers, highly appreciated by startups for their varied expertise.

**3G, 4G, 5G:** transmission standards used by mobile telephony. 3G was the standard between 2000 and 2010; it provided a bandwidth of around 1 to 10 Mbit/s. The 4G standard, operational since 2012, offers a bandwidth in practice of up to a 100 Mbit/s. In the test phase, 5G was launched in 2020 in France, with bandwidths on the order of 1 to 20 Gbit/s.

**GESTION DE CONTENU (ECM - ENTERPRISE CONTENT MANAGEMENT):** electronic management of unstructured information (letters, contracts, invoices, emails, HTML web files, photos, audio files, films, etc.), as opposed to information already structured in databases. ECM covers in particular:

- managing and formatting the content published on large Internet sites or extranet sites (WCM: Web Content Management),
- Electronic Document Management applications (production EDM and office EDM).

The leading content management publishers are: EMC Documentum, IBM FileNet, Microsoft Sharepoint, Alfresco, OpenText, Vignette, Broadvision.

**GFRT/GRT:** the Guaranteed Fault Repair Time (GFRT) is a guaranteed-performance commitment within a given time deadline. The Guaranteed Response Time (GRT) is the guarantee of resources within a given deadline.

**GREEN IT:** all IT methods, software, hardware and processes that reduce the impact of IT on the environment (energy saving, waste management, etc.), as well as the use of computers and new technologies to reduce a Company's ecological footprint in general (teleworking, etc.).

**HACKATHON:** an event where developer teams are invited to compete to build a prototype IT application. In the form of a timed competition, the winners are chosen by a jury at the end of the time limit. The term is a portmanteau made from the words hack and marathon. The reference to the marathon is warranted by the uninterrupted work of developers, often over two days, usually over a weekend.

**HOSTING PROVIDERS:** company equipped to host computer servers. An end client or a service provider (DSC specializing in managed server-based services) generally rents premises (“private cages” or “co-rental”) from a hosting provider who provides the following basic services: air-conditioning/cooling, fire safety, reliable power supply by generators and secure physical access. Then, the tenant (sometimes an DSC) installs its own hardware: racks, memory servers, Internet “pipes” and dedicated lines. Finally, the managed services professional performs its recurring services on a 24/7 basis: supervision and control of applications (backup, security management, recovery and reboot after an incident, etc.). Today, often for security reasons, only a few large organizations



have kept their own, more expensive data centers. It is difficult to stay on top of the best practices because of the rapid evolution of technologies specific to data centers themselves. The leading hosting providers are: Interxion, Equinix, Data4, etc.

**HYBRID CLOUD, MULTI-CLOUD:** the hybrid cloud is the implementation of different types of clouds (public or private), linked by coordination functions. The multi-cloud refers to the deployment of multiple clouds of the same type (public or private), from different vendors.

**IAAS:** Infrastructure as a Service. See Cloud computing.

**INFRASTRUCTURE AS CODE (IAC):** provisioning of hardware in a data center using definition files only rather than manual configuration. This is also referred to as infrastructure automation or “automatic provisioning.” The scope of the information system (IS) covered by these techniques can range from the hardware itself (“bare metal”) to virtual machines and their resources. Cloud computing has made this approach possible. The “automatic provisioning” of servers contributes significantly to reducing application integration and deployment times, by eliminating load-splitting and a manual operation.

**INTRUSION TEST (PENTEST):** penetrating an IT infrastructure using various attack techniques in order to test defects or vulnerabilities. Intrusion tests are done with client approval and on a scope that has been agreed upon beforehand; a report is made concerning the results. Any vulnerability is corrected by implementing new security measures.

**IOT (INTERNET OF THINGS):** see connected devices.

**ISO (ISO 9000, ISO 27000, ETC.):** quality standards based on the implementation of a quality management system and its continuous improvement loops (planning, implementation of improvements and monitoring). ISO 9000 deals with quality in general while ISO 27000 deals with Information System security. ISO 14000 concerns the environment, ISO 26000 Corporate Social Responsibility, ISO 20000 shared service centers and ISO 31000 risk management in general.

**ITIL (INFORMATION TECHNOLOGY INFRASTRUCTURE LIBRARY):** repository of best practices for managing IT production services. It provides an organizational structure for optimizing these services in terms of quality and costs, based on ten key management processes (configuration management, incident management, etc.). It has become a de facto standard.

**IT SECURITY (OR INFORMATION SECURITY):** the increasing openness of information systems (connected to the Internet, inter-connected between sites, open to third-party clients and suppliers, remotely accessible from mobile devices or from home, etc.) has led to the development of IT security to the point where it has become a specialty in its own right. Its scope covers: incoming data protection solutions (antivirus, firewalls, proxy-cache, intrusion detection and content inspection), access protection (VPN encryption, administration, access authorization) and security administration (including detecting vulnerabilities). The associated services are primarily: consulting, architecture, auditing, monitoring and administration. This specialty is part of the broader issue of global security, which also includes: emergency plans, the establishment of backup resources, rules concerning behavior and procedures, the physical security of premises and access points, etc.

**ITSM (IT SERVICE MANAGEMENT):** processes and tools for managing the activity of an IT team: system and network alert escalations, incident and user request management, problem management, change management and configuration management (see CMDB).

**KM (KNOWLEDGE MANAGEMENT):** a set of systems and tools for formalizing processes or know-how. Knowledge Management addresses the

limitations of EDM (see definition above). Indeed, Electronic Document Management (EDM) systems only provide digital and indexed information that was previously only available in analog form (paper, voice, image, etc.). However, there is still a vast volume of knowledge (present on the Web or in diverse locations, for example in users’ personal documents) that can never be completely organized into a hierarchy or made accessible in a database. With this in mind, Knowledge Management describes all the tools and techniques used to address the weaknesses of indexing systems, for example by extracting the meaning of a document (cognitive engineering), scanning all the content (full search or full text) or interpreting the user’s question. These tools also draw on the technologies of expert systems technologies and case-based reasoning.

**MACHINE LEARNING (ML):** field of study of artificial intelligence that aims to give the computer the ability to “learn” from data (i.e., to improve its ability to solve tasks, without being explicitly programmed for each one).

**MANAGED SERVICES / OUTSOURCING:** IT outsourcing involves entrusting the management of all or part of a Company’s IT system to a service provider who takes over the operational responsibility and upgrades the system within the framework of a fixed-price contract over several years. The outsourcing service provider undertakes to meet specific service levels (through a Service Level Agreement – SLA). The contract may or may not include the transfer of employees, hardware or software. The service provider’s teams are generally based both on the intervention sites and in the outsourcer’s shared service centers. A reversibility clause allows the client to recover its IT system/processes or to entrust them to another specialist. The term IT outsourcing is often misused to describe simple outsourcing, without its contractual exactitude. Today, the term “Managed Services” tends to replace the term “IT Outsourcing”.

**MDM (MOBILE DEVICE MANAGEMENT):** management of a fleet of mobile devices (smartphones, tablets): operating system update and remote control, inventory, backup and restore, remote blocking and erasure (in case of theft), performance monitoring (battery status...), roaming management, etc. Leading vendors: Airwatch, Good Technology.

**META-DIRECTORY:** directory that groups together all users of all of a Company’s applications, with their passwords associated with their authorized applications. This centralized and cross-functional view facilitates the management of secure access to company data (e.g., arrivals and departures of employees).

**MIDDLEWARE:** all technical software layers between the OS (Operating System) and user applications.

**MOBILITY:** set of tools and techniques allowing mobile users to remotely access, update or synchronize with their company’s applications (business, messaging, schedules, etc.) and data. A mobility project includes in particular the choice of the terminal (thus the corresponding Operating System), a synchronization server, an Internet service provider, their integration and, where necessary, specific developments. Security is always an important component in such environments.

**MOOC (MASSIVE OPEN ONLINE COURSE):** an open, distance-learning course. Teachers and students communicate solely via the Internet. Often, this involves very large numbers of participants.

**NEARSHORE:** see Offshore.

**OFFSHORE:** an operation that involves providing services in geographical areas where the workforce is abundant, increasingly well trained and where labor costs are lower than in the client’s home country. Offshoring may involve outsourcing or not. The term “nearshore” is used when the country is less than three hours by plane from France (e.g., North Africa). Certain services are more likely to be offshored than others (in the case of France, 60% of offshoring operations concern Third-Party Application

Maintenance). In a contract which includes offshoring, part of the local service (sometimes called “front office”) remains in France. The part that may be offshored is called “back office”.

**PAAS (PLATFORM AS A SERVICE):** see also cloud computing. The provision of the infrastructure and all the components of a software platform (operating system, databases, middleware) required to install and run an application (e.g.: Java, .Net platforms, etc.). The client does not manage the platform. Clients’ role is limited to the development of their application that they will “place” on the platform of their PaaS provider.

**PGI (PROGICIEL DE GESTION INTÉGRÉ):** see ERP.

**PHISHING:** fraudulent request for confidential information by email pretending to be a known organization (e.g., bank).

**PLM (PRODUCT LIFECYCLE MANAGEMENT):** product life-cycle management groups together all information concerning the design, manufacture, repair and recycling of a given complex product (airplane, car, subassembly, etc.) by including all the information within a single technical repository.

**PMO (PROJECT MANAGEMENT OFFICE):** the team that defines and maintains the reference system of processes linked to project management. The PMO’s aim is to standardize and industrialize projects. It is in charge of their management, documentation and evaluation. It often draws on the Prince 2 methodology. By extension, it is said that the person who manages a project has a “PMO profile”.

**PPM (PROJECT PORTFOLIO MANAGEMENT):** processes and software tools used to manage a portfolio of projects.

**PREDICTIVE ANALYSIS (PREDICTIVE MAINTENANCE):** a set of techniques using statistics and data from different sources to make predictions about possible events. Predictive analysis is used in many fields and the well-known application of predictive analysis is the assessment of client risk (FICO Score). In IT maintenance, it is used to predict potential workstation or server breakdowns (reference editor: Nextthink) by cross-referencing different parameters. Logs and various other data concerning the servers (capacity utilization rates, etc.) can also be cross-referenced to predict that an incident will occur on a piece of equipment or during processing.

**PRIME CONTRACTOR:** the project manager with a guaranteed-performance commitment. Depending on the case, this may be the client or one or more contracted IT service providers.

**PRODUCT OWNER (PO):** digital project manager, expert in the Agile methodology (Scrum). He is the main person responsible for the design or definition of a “product” (i.e., an application) by acting as an interface between the “clients” (future users), the various departments involved in the company and the designers and developers. In the Scrum methodological framework, the team is organized around three main roles: developers, Product Owner and Scrum Master (see hereafter).

**PROJECT OWNER:** an entity or decision-maker who has a new custom application developed, has all or part of a software package integrated or, more generally, orders an IT project in response to their needs.

**PROPRIETARY SYSTEMS:** Computers whose hardware and operating system (OS) are developed and distributed by a single manufacturer (IBM z- and i-series, etc.). the term is used in contrast to “open” operating systems (Unix, Microsoft, Linux, Android, etc.), which do not belong to the manufacturers.

**PROXY:** a server regulating the security policy for incoming and outgoing traffic to and from the Internet at the application layers (FTP/file

transfer, http/Internet browsing, SMTP/mail), unlike the firewall which acts on the lower layers. For example, it is the proxy that denies access to certain websites that have nothing to do with the business activity. Often it is integrated in the firewall.

**PUE (POWER USAGE EFFECTIVENESS):** ratio between the energy consumption (in kWh) of servers connected to the power supply and the total electricity consumption of a data center (power used by servers added to that of all the different equipment, primarily related to cooling and power backup). In conventional computer rooms, the PUE is well above 2. In the latest generation of data centers (Tier3+) at full load, the target PUE can achieve levels below 1.5.

**RESPONSIVE DESIGN:** design characteristic of an application whose presentations (text, images and resolution) automatically adapt to the terminal using the application (computer, tablet or smartphone). As such, responsive-design applications (HTML5 and CSS3 standards) are developed once and can be used on all types of terminals.

**ROBOTIC PROCESS AUTOMATION (RPA):** automation of processes via robots (emulating a keyboard exchange) to eliminate tedious tasks, streamline operations and reduce costs. It aims to enable employees to focus on higher value-added work. The rpa scenarios range from the simple creation of an automatic response to an email to the deployment of multiple robots, each programmed to automate tasks in a process. This automation is at work in various fields: financial services, healthcare, retail, human resources, etc.

**SAAS (SOFTWARE AS A SERVICE):** model for marketing software on a lease-to-use basis (instead of selling a perpetual license at a fixed price). The software is usually accessible over the Internet and hosted by the publisher, often in Cloud computing mode, which is why the two terms are frequently associated. This service has several benefits for businesses: reduced delivery times and reduced integration, deployment and update costs. Applications with standardized processes are the most suited to SaaS mode: CRM (such as Salesforce.com), skills management, expense management, messaging (such as Gmail), and so on. SaaS development will be slower for enterprise applications (need to handle end-to-end business processes, interface development, security, privacy, performance and availability).

**SAP BC (SAP BASE COMPONENT):** SAP Enterprise Resource Planning module for system administration, especially to manage the database (and system performance in terms of processor and memory) and to manage user security and authorizations.

**SAP SRM (SAP SUPPLIER RELATIONSHIP MANAGEMENT):** SAP Enterprise Resource Planning module that manages the entire supplier relationship: expenditure analysis, procurement, operational contracts, purchase requisitions, billing and supplier management.

**SCM (SUPPLY CHAIN MANAGEMENT):** SCM tools aim to reduce stocks and delivery times while improving customer service levels. In operational terms, the tools reconcile information concerning demand and production capacity in order to establish production and delivery plans. At the tactical level, they rely on statistical techniques - typically datamining tools - to optimize procurement, smooth production and determine the best delivery paths. At the strategic level, the tools perform simulations to determine the best possible layout for the manufacturing plants and distribution network, and even establish the product renewal rate depending on the target market. The main challenge is to automatically transfer this data into the management system (ERP).

**SCRUM MASTER:** the scrum master guarantees the methodological framework in a digital project using Agile methods (Scrum). His role is not to lead the team, but rather to guide it in applying Scrum. He is the interface between the team and the outside world, protecting it from any

element that might disrupt its operation and concentration. His assignment is to train members in Agile practices and to lead the different “rituals”: daily mixes, planning poker, retrospectives, etc. In the Scrum method, the team is organized around three main roles: the developers, the Product Owner and the Scrum Master.

**SDDC (SOFTWARE DESIGNED DATA CENTER), SDN, SDS:** after the virtualization of servers into virtual machines (or VMs), it has become possible to automatically allocate, at the software level, the other IT resources of the data center, including in particular the network: “Software Defined Network” (SDN) and storage: “Software Defined Storage” (SDS). Released in 2011-2012, the Software Designed Data Center (SDDC) marketing concept corresponds to the promise of programmatically allocating all of a data center’s components. The SDDC model, however, faces many challenges: whether or not to include legacy, the treatment of non-virtual resources, and the difficulties of interoperability across multiple technology vendors.

**SELF-CARE (OR SELF-HELP):** encouraged by companies in an effort to reduce costs, self-care provides users with a set of automated tools that allow them to troubleshoot directly, without calling on a support technician. The Interactive Voice Response (IVR) servers deployed over recent years initiated this trend. They have structural limits and, often considered “irritating”, they have only developed a partial response to user issues. The use of self-care Internet tools has radically changed the situation. These tools require a lot of upstream work to identify the most frequently asked questions and to standardize answers and they dynamically adapt depending on the way they are used. Companies can use this concept on a broader level (e.g., in relationships with their customers).

**SERVER VIRTUALIZATION:** software layer that simulates a physical machine and its components, from an applications point of view. Virtualization is often associated with consolidation projects. It aims to increase the average usage rate of IT resources by having several virtual servers on the same physical machine.

**SERVICE CENTRE:** structure providing IT services (application maintenance, operation, service desk, etc.) for several clients and located on the premises of the DSC providing the service. This term is sometimes used more broadly and can refer to non-pooled services performed by a team working for a single client. In all cases, the Service Centers are specialized and follow well-defined processes.

**SERVICE DESK (OR HELP-DESK):** a structure (telephone, IT and humans) designed to receive and handle all requests from information system users and either resolve them or pass them on to other support groups for resolution (“escalation”). The use of such specialized structures has become widespread: complete tracing of activity, professional response times, high rate of immediate handling (potentially handled by remote control), thorough investigation of the cause of incidents and then implementation of action plans to sustainably reduce the number of incidents. In the service desk business, the professional phone manner and tone of support technicians is as important as their technical knowledge. For multi-country organizations, the service desk is typically multilingual and in 24/7 mode. Increasingly, they use “self-help” and “chatbot” technologies.

**SINGLE SIGN-ON (SSO):** physical key, associated with a unique password at login. It replaces all passwords attached to each application.

**SMACS (SOCIAL MOBILITY ANALYTICS CLOUD SECURITY) OR SMAC:** a term covering all digital services related to digital transformation, representing a fast-growing digital services submarket.

**SOA (SERVICE ORIENTED ARCHITECTURE):** flexible application architecture made up of independent but interconnected application services. This is a concept and not a technology. The framework is well-suited to

web services, as well as other technologies. The central idea of SOA is to add or change services requested by operational management very quickly. If the target is attractive, the implementation methods for SOA architectures are still widely debated: even if we identify applications that can serve multiple processes, what granularity should we choose? How do you define the interfaces? How do you develop new applications as services while taking the existing application base into account?

**SOC (SECURITY OPERATIONS CENTER):** Operational security center that monitors the information system to protect the company from cyberattacks. It monitors IT security as a whole, from network layers to the software installed on the workstations, in all countries. It collects information from the security components and analyzes them to detect potential anomalies. SOC’s have become widespread in major organizations and their scopes of surveillance are steadily expanding.

**SOCIAL MEDIA:** all websites that use Internet users to create content and communicate: publishing tools (Wikipedia, etc.), discussion tools (Skype, Teams, Zoom, Slack, etc.), social contact networks (Facebook, Twitter, LinkedIn, etc.) and social content networks (YouTube, Pinterest, etc.). This term is gradually replacing the term “Web 2.0”.

**SOFTWARE CONTAINER:** virtual envelope that groups an application and all the elements it needs to function: source files, execution environment, libraries, tools and files. In practice, software containers are used to test applications under development. The advantage is to have an isolated environment to perform all the necessary checks before deployment. A virtual machine (or VM) has its own operating system (OS), while the software container uses the OS of the computer where it is installed. For software containers, the reference vendors are Docker (1<sup>st</sup> version in 2014) and Kubernetes, an open-source system for automating the deployment, scaling and management of containerized applications.

**SSII:** IT services Company (French: Société de Services et d’Ingénierie Informatiques). Synonym of ESN (entreprise de services du numérique) / DSC (digital services company).

**TECHNICAL ASSISTANCE (OR TIME SPENT OR MANAGED) :** form of service consisting of making the skills of a consultant available at a defined rate for a fixed period of time. Service companies only have an obligation to provide resources. The project management is then carried out by the end customer, who doesn’t need to share the specifications of the overall project with his service provider beforehand.

**TPAM (THIRD-PARTY APPLICATIONS MAINTENANCE):** maintenance (for corrective and upgrade purposes) and updating of computer applications managed by an outside service provider.

**TRANSACTION SECURITY:** a transaction is deemed certified if the parties are identified, if its integrity is guaranteed and finally if the transaction cannot be repudiated by either party (certification = identification + integrity + non-repudiation). In addition to certification, the transaction’s confidentiality must be guaranteed.

**THREAT INTELLIGENCE (OR CYBER THREAT INTELLIGENCE):** information about potential adversaries who may launch cyberattacks, outside the information IT system, in order to develop a portrait of potential attackers or to identify attacks in preparation. In contrast, the SOC (see above) is intended to monitor the interior of the information system and ensure that all access doors to it are sealed.

**UC2 (UNIFIED COMMUNICATIONS AND COLLABORATION):** in the telecommunications and office automation industry, unified communications form a set of new services enabling close integration of real-time interpersonal communication means (telephony, videophony), collaborative work software (instant messaging, document sharing) and office automation tools in the broadest sense (asynchronous messaging,

calendar, word processing, spreadsheets, presentation viewers, etc.). Users can access the communication resources, while continuing to use the IT tools they use every day at the same time. The leading companies in the industry (IBM, Microsoft, Cisco, SAP, Oracle, etc.) are all committed to unified communications.

**UX/UI (USER EXPERIENCE, USER INTERFACE):** concept that appeared in the 1990s. It underlines that an analysis of man-machine interface (UI) functions is insufficient and that users' subjective and emotional dimension also needs to be taken into account. The experience should be pleasant, fluid, intuitive and not strictly functional.

**VDI (VIRTUAL DESKTOP INFRASTRUCTURE):** system that separates the user's desktop environment from the physical machine used to access it. Users only have a terminal screen and the workstations are managed on virtual machines in a central data center. The main advantages of VDI are that it facilitates desktop management and deployment costs are very

low. However, VDI is more dependent on the central data center (where all the workstations are managed) and the reliability of the network. VDI can be an effective solution for organizations with many remote locations with just a few workstations (bank branches, etc.).

**WEB SERVICES:** an application function that a program can start. A web service has no user interface. Any website producer can incorporate these services into its online applications (tourist guide, travel booking...) in a way that is transparent to the user (e.g.: ViaMichelin has launched web services linked to geolocation). Vendors have widely adopted this technology (XML, WSDL interface) due to its simplicity. However, on the down side, the standards have yet to be finalized.

**XML (EXTENSIBLE MARKUP LANGUAGE):** a powerful meta-language for describing unstructured data and document modeling; it has become a de facto standard among publishers. XML is more advanced and comprehensive than the HTML Internet page description standard.





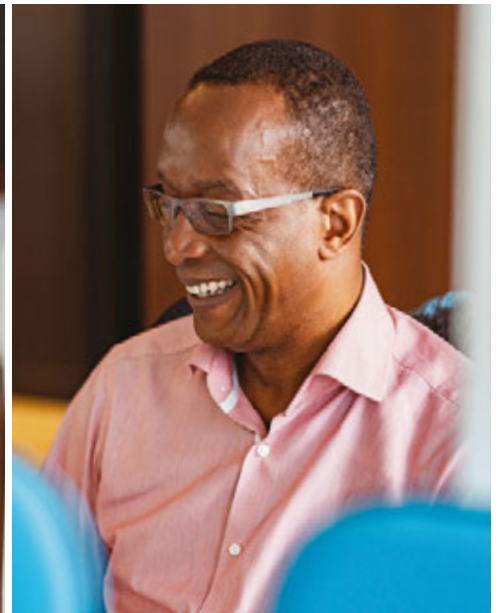
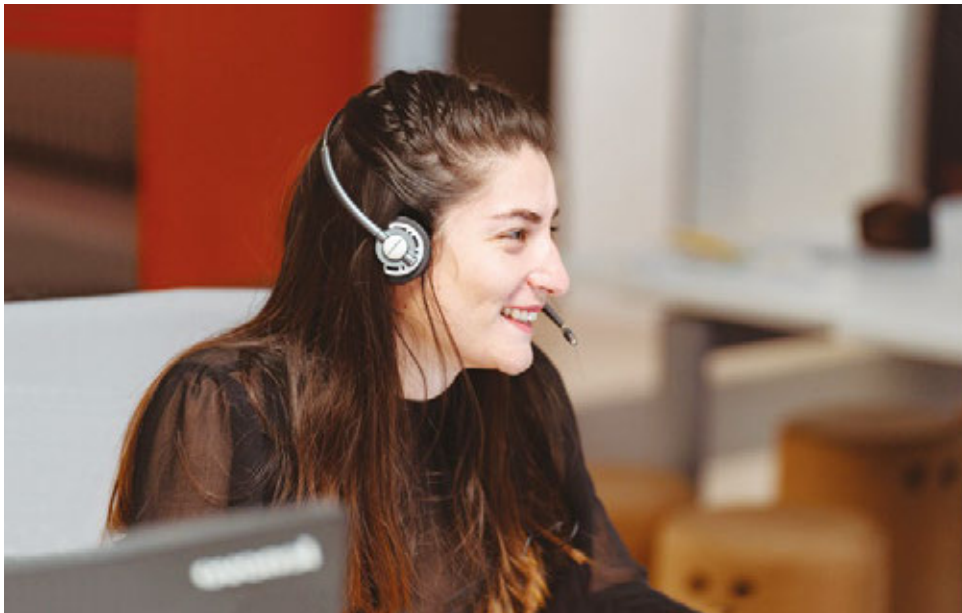


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