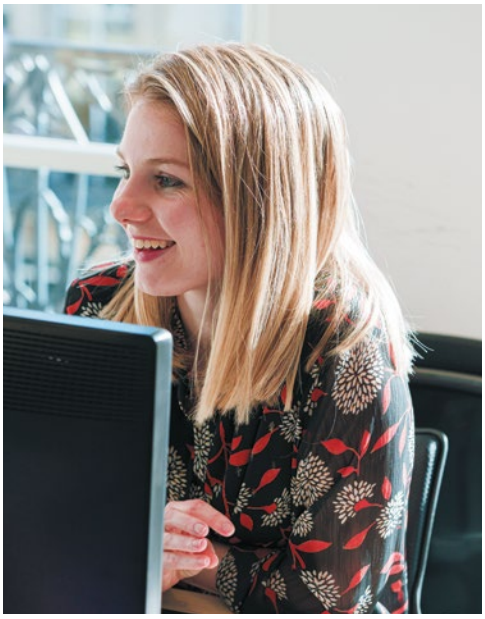


2021

ANNUAL REPORT

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 6,000 stakeholders behind the Group's achievements in 2021 - though of course only a very small proportion of them appear in its pages.





Contents

In this document, Consulting and Digital services jargon, abbreviations and acronyms are used only when necessary to understand NEURONES' businesses. They are explained in the glossary from page 134 onwards.

36 YEARS OF PROFITABLE GROWTH

With close to 6,000 employees and revenues of €580 million, NEURONES has worked its way up the French market to be one of the top 8 market capitalizations of 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 36 years,
- formed a proven, solid core, mostly through organic development,
- acquired, through external growth, some fifteen companies with complementary businesses,
- recorded average annual growth rate of 7.4% over the last ten 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.

€580m	10.6%	5,900
2021 REVENUES	2021 OPERATING PROFIT	STAFF AT 12/31/2021

Overview of 2021

INFRASTRUCTURES

Cyber recognition

As part of the national cybersecurity strategy, led by the cybermalveillance.gouv.fr platform, the Group' entity dedicated to IT security has obtained the **Expert Cyber** label, based on an Afnor audit, which is a real guarantee of quality and trust.

EXPERT CYBER
LABEL SÉCURITÉ NUMÉRIQUE
Cybermalveillance.gouv.fr
RÉPUBLIQUE FRANÇAISE

APPLICATIONS

Agency experience

A specialized consulting firm was created, bringing together mixed user experience and "product" teams **(UX, UI, PO, PM and Product designers).** Its experts assist clients in the design and production of their "products" (digital applications).

GROUP

Pedal power

For their first time at the "24h Vélo Shimano" (held at the legendary Bugatti circuit in Le Mans), six cycling enthusiasts wearing NEURONES colors pedaled in the summer heat, covering nearly 750 km without stopping.
What an incredible achievement!

APPLICATIONS

Well-being

The Group's PMO (Project Management Office) entity received two certifications testifying to its commitment to considering the well-being of its employees as one of its main priorities. The **HappyIndex®AtWork** and **WorkAnywhere®** labels reward the means put in place to ensure that its employees are satisfied, among other things, with the organization of remote work.

INFRASTRUCTURES

Green gold

Group leader in user support joins EasyVirt's Accelerate program and achieves **Gold status.** This acknowledgement, coupled with an Infrastructure offering launched at the beginning of the year, strengthens its expertise in the virtualization and Green IT markets.

CONSULTING

Citius, Altius, Fortius

This year, the Group's specialized Consulting company joined the ranks of the **"Best Management and Organization Consulting Firms"** in the banking, finance and insurance industries, drawn up by "Décideurs Magazine".

APPLICATIONS

CSR on top

The PMO (Project Management Office) took part in workshops on Information System security and reminded attendees of **the importance of CSR indicators** at the annual ITES Innovation Summit attended by IT and Technology units.

GROUP

Tech at its best

NEURONES has once again established itself as a key player in the French tech ecosystem and is ranked **24th among 500 companies** in the Frenchweb 2022 ranking unveiled in December 2021. An objective illustration of the Group's ongoing drive.

FW500

APPLICATIONS

Quali happy

Qualiopi processus certifié

RÉPUBLIQUE FRANÇAISE

In response to the requirements of the National Quality Reference System (RNQ - published by the French Ministry of Labor), the subsidiary dedicated to IT training is now **"Qualiopi" certified,** attesting to the excellent quality of its training activities, from the organization process to quality monitoring.

APPLICATIONS

Software harvesting

The Group's **document management** company has launched Arvest, a subsidiary that brings together its increasingly successful range of specialized software: a reader for all types of documents (Arender®), a simplified EDM (Flower®) and a mass document migration tool (Fast2®).

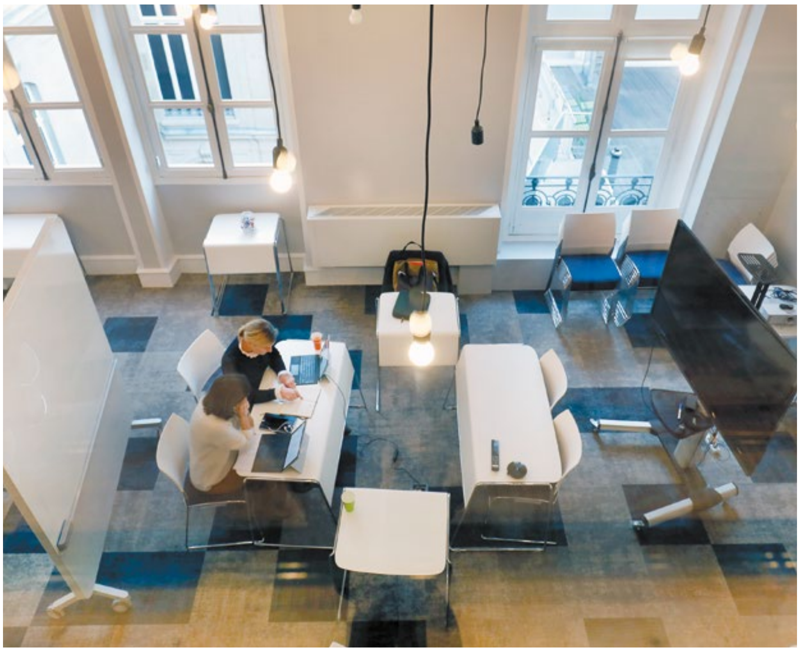
GROUP

Exceeding limits

The runners (and walkers!), the "NEURONES' girls", met again (after a two-year hiatus) to run the 7 km La Parisienne race, in a fun and friendly atmosphere: good times and the **satisfaction of exceeding limits.**

CONSULTING

Transforming



A specialist consulting firm working in the field of **Human Resources Transformation** joined the Group at the end of the year. Its mission is to help companies improve their operational performance by leveraging human, organizational and technological factors.

INFRASTRUCTURES

*Azure*ing expertise

One of the Group's entities, an expert in the Cloud, has joined the very closed circle of **72 Microsoft partners worldwide,** distinguished by the **Azure Advanced Specialist** label. This officially confirms its advanced expertise in upgrading Web applications to Microsoft Azure and its perfectly competent management of the associated services.

APPLICATIONS

Hana solution

With the "SAP 10steps2S4" certification in hand, the Group's specialized entity is now **qualified "#10steps2S4 to PCE (Rise Edition)".** This program validates the ability of integrators to take into account the challenges and subtleties related to the S/4Hana transformation within the framework of SAP's new "Rise" offering.

CONSULTING

Top requirements

The Management Consulting experts have been **certified B Corp** and have thus joined the select circle of the hundred or so French companies that have received this label, which is awarded to companies that meet **societal and environmental, governance** and public **transparency requirements.**

Certified B Corporation

INFRASTRUCTURES

Cyber response

The Group's IT Security company now contributes to the **Club des Experts de la Sécurité de l'Information et du Numérique** (CESIN) on topics such as strategic and tactical uses applied in Threat Intelligence or the retention of human resources in the field of cybersecurity, as well as through feedback.

APPLICATIONS

Impactful distinction

The ERP specialist received the **ImpactESGIndex® label,** a distinction awarded to companies whose employees most appreciate the reality of their social and environmental practices (ESG).

2021 | FRANCE
Impact Index®
Avis certifiés | ESG
choose mycompany®

GROUP

Soccer boots back on pitch

The NEURONES Football Cup made its comeback at the end of the year, bringing together 180 players for its 8th edition. They laced up their soccer boots and **worked together** with the hope of "bringing the trophy home".

INFRASTRUCTURES

The great escape

Escape games are very popular among IT production and user support experts. Employees were able to take part, remotely or physically, in escape games that encourage **teamwork, thinking** and **collective strategy.**

GROUP

We try harder

Thanks to its growth that is **two to three times faster than the market, NEURONES** has moved up another two places in 2021 in the Numeum and KPMG reference ranking of Digital Services Companies (ESN) and Engineering and Technology Consulting (ICT) companies in France.

GROUP

Made in France

This year, the geographical deployment continued with an increasing presence **in the French regions**. After Angers, Lille, Lyon, Orléans and Tours, this presence has now been extended to Bordeaux, Rennes and Toulouse.

APPLICATIONS

When experts put their heads together

Three of the Group's companies met at the USF trade show, the key annual event in the SAP ecosystem, with the common goal of sharing their client feedback in **consulting, project management and user support.**

APPLICATIONS

A new generation is coming

For its first time taking part in ChooseMyCompany's HappyIndex®Trainees survey, the document management specialist immediately came second in the **Happy Trainees 2022** ranking. The label recognizes the positive experience of interns and work-study students, taking into account the quality of the reception and support provided by companies.

APPLICATIONS

Standing together

Market Finance specialists are involved in **sustainable development.** They have thus invested in associative projects (protection of the oceans, schooling in poor countries, etc.) by taking part in a solidarity initiative: the micro-donation of wages, matched by the company.

GROUP

Going green

More than a hundred golfers, both experienced and novice, gathered to learn, improve or compete on the prestigious course of the Paris International Golf Club. They were welcomed by Thomas Levet, **France's most successful golfer,** during a sunny day that was an opportunity to consolidate already strong ties with corporate customers.

INFRASTRUCTURES

Immersive experience

The user support specialist inaugurated **Inside®,** an **immersive user experience** designed to showcase its **technological** and usage **innovations** in real-life settings, with role-playing and expert commentary.

GROUP

Locomotive

In its study "The New Conquerors of the Economy" (published in July 2021), the Choiseul Institute has highlighted NEURONES in the category **"The drivers of growth"** and thus values the companies that are leading the French economy in a **sustainable development.**

APPLICATIONS

Happier than ever

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

INFRASTRUCTURES

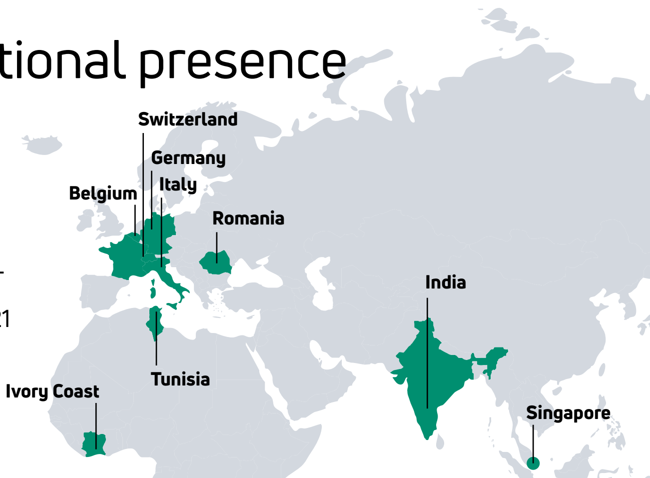
Power 1000

Alongside the Metropolis of Lyon, the Digital Workplace expert is stepping up its commitment to inclusion and joining the companies that have signed the Charter of 1000. The initiative aims to act for **integration and employment** by allowing a better knowledge of the IT professions and by promoting local dynamics.

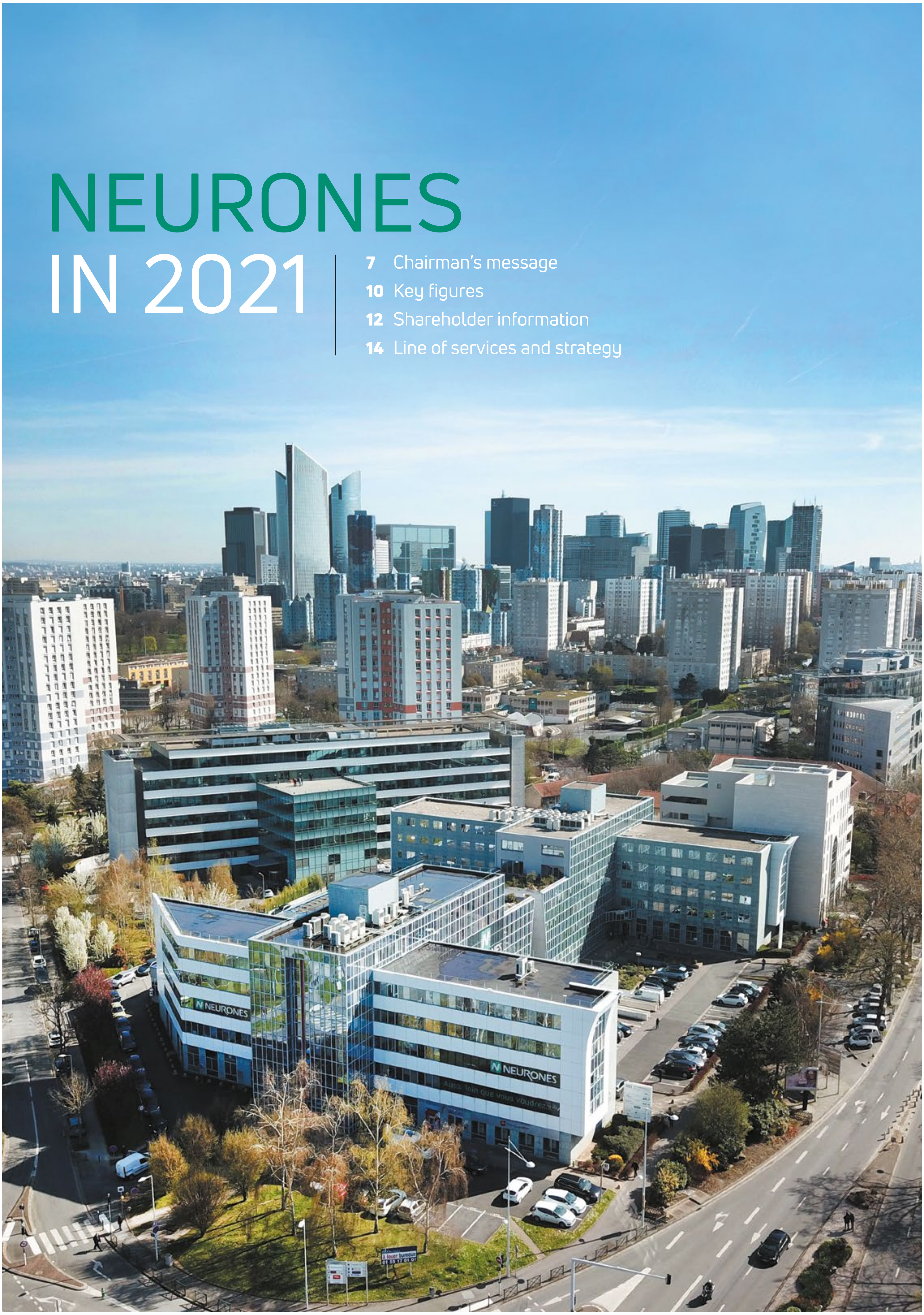
GROUP

International presence

900
INTERNATIONAL EMPLOYEES AS OF 12/31/2021



NEURONES IN 2021



Chairman's message

"No sooner has the day started and... it is already six o'clock in the evening. No sooner has Monday dawned and it is already Friday and the month is already over and the year is almost over"...

These words are illustrated in this document, published at a time when the year 2022 is already well underway and indeed largely foreseeable.

But it is never too late to repeat a simple and sincere "Thank you" to the originators - employees, clients and partners - of the 2021 achievements. With intuition and confidence, commitment and talent, they have enabled us to take another collective step forward. Year after year, the professional adventures that give meaning to a part of life are gradually written. They allow each one to say one day with satisfaction: "their success is also somewhat mine" or "I was there".

And as it seems that the best friend of "Thank you" is "so much", so a special "Thank you so much" to:
- the 6,000 talents in the Group: they have committed their energy, expertise, reliability, team spirit and ambition to build this community that makes people proud;
- the thousand or so clients: contributing to their winning use of technology is a blessing, while their loyalty explains the growth of the year.

"Words count and tell, and figures record...", so here is a summary of the past year for shareholders, based on essential accounting data.

1 – Summary of the year

Achievements exceeded forecasts, even though they were increased twice during the year. They add a column to the table on page 57 of this annual report and can be put into perspective as follows:

Solid organic growth: +10.1
- following a year of internal growth in 2020, a performance that is practically unique among listed companies in the sector in the midst of a health crisis;
- translating the match between demand (digital, migration to various forms of cloud, cybersecurity...) and the Group's ability to meet it (adequate offers, ability to attract and retain talent, technical skills and competitive prices);
- illustrating the competitiveness of a company that is once again moving forward this year at a rate two to three times faster than its benchmark market (market growth estimated at +4.4% for 2021).

Record operating profit: 10.6%
- beyond the usual range (8 to 10%) over the last fifteen years;
- exceeding the 9.9% of the previous year (the health situation having maintained temporarily more economical operating conditions in 2021);
- synonymous with a good cost structure and customer satisfaction: service that meets expectations is always rewarded

Unmatched net profit: 7.4%
- up sharply, compared to 2020 (+22.6%) and 2019 (+21.9%);
- well above its usual range (between 5.1% and 6.9%), with the help of the corporate tax cut (including the CVAE (Company Value Added Contribution));
- having increased more than tenfold in volume since the company was listed (May 2000).

Very high rate of return on capital employed: 45%
- up sharply (+14% compared to 2020);
- this was due to an increase in operating profit (+€9.7m) and a decrease in working capital requirements (-€2m);
- demonstrating the careful management of resources.

"BELIEVE YOU CAN AND YOU'RE HALFWAY THERE."

Comfortable net cash position: €264.6m
- thanks to free cash flow (€51.8m), which was again significantly higher than net profit (€42.9m);
- this is comparable to that of the previous year, despite the payment of €48.4m to shareholders in the meantime (to make up for past years);
- encouraging the Board of Directors to recommend the payment of a regular and predictable dividend in the future.

An objective assessment of the 2021 fiscal year also means stating, without complacency, that the allocation of capital has not been optimal. In fact, despite the exceptional distribution mentioned in the previous paragraph, the cash position has practically been reconstituted. At the end of the year, it lagged behind the usual pace of investment in external growth.

While there were some acquisitions, few were announced with a potential for value creation and even fewer were presented with a succession management, ready to commit to future cash flows.

"A problem well understood is a problem half solved": in any case, there will be no shortage of classic solutions to further improve the profitability of shareholders' equity. And some fund managers, surely too indulgent, remind us that it is better to be patient and accumulate cash, rather than spend it on irrelevant acquisitions.

Even if the link with economic performance is not instantaneous, shareholders will not be disappointed to see that the share price:

- has quadrupled since being listed on the stock exchange;
- ended 2021 at the all-time (temporary...) high of €38 (+62% compared to the end of 2020!), compared to €7.3 ten years ago, at the end of 2011, and €18.90 at December 31, 2018.

For this progress to continue, putting aside exogenous factors (economic, demographic, health and geopolitical) over which commercial companies have no control, it is obviously necessary to continue to look far ahead so that clients, employees, entrepreneurs and shareholders can go *"Forward together...®"*, as the Group's motto states.

2 – Market outlook

What can we expect in the years to come?

Already today, everyone is realizing that the "world after" looks a lot like the "world before":

- competition continues to drive societies, economies and countries, just as it does in nature or sport;
- everywhere there is a race, whatever the environmental constraints: access to raw materials, energy sources, education, talent, market share, R&D, processes to try to preserve natural resources and climate...;
- Digital transformation, much like industrialization, automation, space exploration or medical research, is a long-term process, with no apparent limits, and perhaps never fully achieved.

As a catalyst for the acceleration of the world, technology continues to advance, to settle and impose itself in the smallest corners of life. It is still the indisputable lever for the performance of organizations:

- there is no choice but to keep pace with it and seize its potential to create competitive advantages, accelerate change, get to know your clients better and address them in an increasingly personalized way. In short, to decide more quickly and invest more carefully with a better result;

"SUCCESS DOESN'T COME TO YOU; YOU GO TO IT!"

- the hunger is insatiable when it comes to improving services, lead times and customer journeys, flexibility and efficiency of the internal organization, innovating, lowering costs and raising the level of cybersecurity in open, global communication systems where almost everything is interconnected and exposed;
- in our experience as citizens, consumers, patients, employees... each of us can see every day that there is considerable potential for progress in making useful information easily accessible, managing it, securing it, "making the data talk"... not to mention the simple "user experience" which often leaves something to be desired...;
- by providing the fuel for this permanent and necessary "reinvention", software manufacturers, and their allies, the Consulting and Digital Services companies, have, therefore, a promising future.

This very long-term process is self-perpetuating and accelerating. It carries NEURONES like a huge wave... as long as you follow Marva Collins' advice *"Success doesn't come to you; you go to it"!*

3 – Competitive advantages

For its part, your company will continue to take advantage of such a promising environment and, in its execution, will leverage its competitive strengths by:

- aligning priorities with those of clients, being close to their needs and at their side through decentralization, while knowing how to combine forces when necessary. A cross-functional organization makes it possible to provide them with the full range of the Group's services, including those of the most innovative internal start-ups. In this way, these corporate customers can, in turn, bring value to their own clients, who are becoming less and less stable and predictable;
- sharing its external view, its know-how, experience, objectivity and flexibility with the most demanding clients to accompany them in their permanent movements and their main challenges:
  - to enhance their vision with new perceptions to create a competitive advantage, define a transformation trajectory, lead numerous downstream projects and streamline processes;
  - to adopt more profitably the different forms of cloud, using in particular the scalable processing and storage capabilities of the data;
  - to increase the speed of design, testing and release of new applications to ensure the success of their digital transformation;
  - to strengthen their defenses against cyber threats which, as in electronic warfare, are always one step ahead;
- providing them with its original organization, with operational entities on a human scale, each represented by a corporate officer, making rapid, local and personalized decisions with a high degree of autonomy. In a world where Agility is becoming a cardinal virtue, clients appreciate this flexibility, the short decision paths, the easy consideration of any new emerging trend, the possibilities to experiment with new offers and the limited overheads of medium-sized Consulting and Digital Services firms;
- enriching, innovative, constantly adapting the social links with the women and men who make up its wealth and attracting outside talent, at a time when the quest for meaning and new work organizations are becoming increasingly important. Due to their format, the Group' companies adapt quickly, innovate, experiment and the quality of life in their offices is attested to by the numerous awards (Happy At Work® workAnyWhere® happyIndex®Trainees, ImpactESGIndex®...) received again this year;
- developing its attractive culture of entrepreneurship to attract the best talents, passing on the advice of the former president of the United States *"Believe you can and you're halfway there"*, welcoming new start-ups and associating the most committed elements in human-sized entities where the credo is to trust individual responsibility;

- communicating with ambitious independent contractors with the conviction that: *"none of us, acting alone, can achieve success".* That is to say that by joining forces, everyone will go further and faster. Especially since its first external growth, NEURONES has been able to preserve the cultures of the companies that joined it and has given these colleagues a new dimension and impetus, profitable for all;

"DREAMS MEAN WORK!"

- developing internationally, but also in new territories in France: the service and recruitment businesses, which are more effective with cultural and physical proximity, obviously encourage the company to gradually put down roots in local environments;
- maintaining close relationships with the major publishers and designers of solutions and platforms and pragmatically developing new links with newer players, destined to become standards in their market. This entire ecosystem allows clients to capture the full benefits of technology in a timely manner by focusing their investments more on transformation than operations.

With the 2021 financial year completed, NEURONES is continuing its ascent, while Consulting and Digital Services are now part of these almost indispensable activities.

The program for your company is unchanged in its fundamentals: to maintain sustained growth, to take market share, to produce one of the best returns in the profession and, upstream, to be an employer of reference, allowing each person to focus on his or her strengths and to derive satisfaction and pride from their professional activity.

With solid foundations, long-term choices, determined, stable and well-staffed management teams, a noted corporate culture, a challenger mentality, substantial resources and an adaptable organization that is as close as possible to the needs of its clients, the future is indeed predictable.

In this sustainable environment, the recipe for success is timeless and well known to all entrepreneurs: being in the right place, at the right time, with the right service, the right teams and the right price. In 2022 and beyond, your group will continue to work at it quietly, in a continuous process of improvement because, as a best-selling writer notes, *"dreams mean work!"*

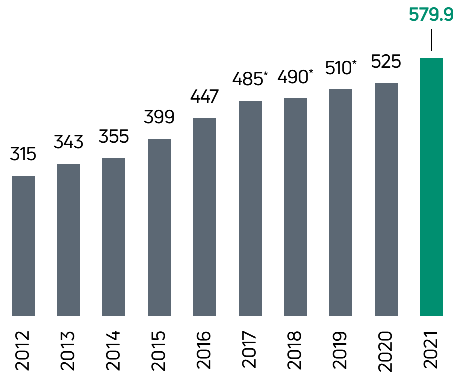
Luc de CHAMMARD
Chairman and CEO

KEY SHAREHOLDER-DIRECTORS

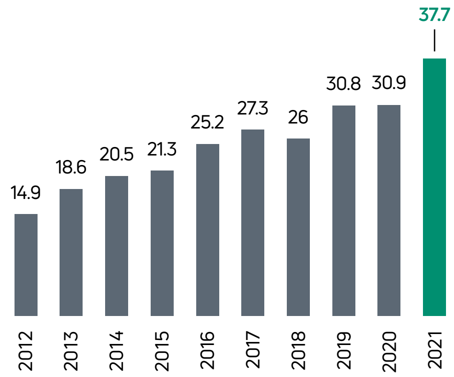
From left to right. First row: Bertrand DUCURTIL and Luc de CHAMMARD.**Second row:** Franck DUBRAY, Elsa CUISINIER, Jean-Pierre LAFONT, Jean-François HALLOUËT, Bernard LEWIS, Vincent GRZECZKOWICZ and Guillaume BLANCHETIÈRE. **Third row:** Cyrille BARTHÉLÉMY, Alain LE BRAS, Christopher BAILEY, Joseph KHOURI, Charles BLANCHOT, Jérôme PEREZ, Stéphane RAILLARD, Jérôme LEHMANN, Jean VELUT, Olivier LE BAILLY and Jérôme BELZACKI.

Key figures

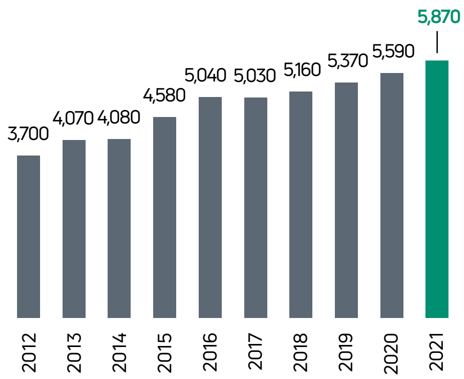
CONSOLIDATED REVENUES
(in millions of euros)



NET PROFIT – GROUP SHARE
(in millions of euros)

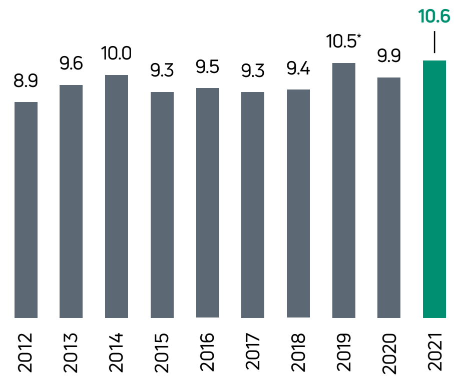


STAFF
(year end)



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

OPERATING PROFIT
(as %)



* 9.6% excluding capital gains on disposals.

+10.1%

ORGANIC GROWTH
OF REVENUES IN 2021

+7.4%

COMPOUND ANNUAL GROWTH RATE
OVER 10 YEARS (2012-2021)

CONSOLIDATED INCOME STATEMENT
(in millions of euros)

	2020	2021
Revenues	524.5	579.9
Business operating profit*	**53.9**	**64.2**
% of revenues	10.3%	11.1%
Operating profit	**51.9**	**61.6**
% of revenues	9.9%	10.6%
Net financial profit	1.7	0.2
Income tax	(18.6)	(18.8)
Net profit for the period	**35**	**42.9**
% of revenues	6.7%	7.4%
- of which net profit – Group share	**30.9**	**37.7**
- of which minority interests	4.1	5.2

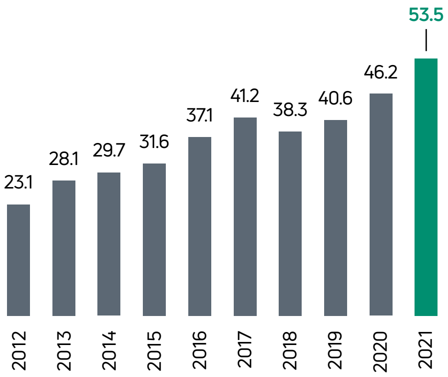
* Prior to cost of bonus shares and impairment of assets.

SIMPLIFIED CASH FLOW STATEMENT
(in millions of euros)

	2020	2021
Net profit	35	42.9
Non-cash items*	11.2	10.6
Changes in WCR (increase)/decrease	16.4	4.7
Net industrial investments	(7.4)	(6.4)
Free cash flow	55.2	51.8
Net financial investments	(1.8)	(5.6)
Net capital increase and disposal of securities	(0.4)	1.6
Other (dividends, etc.)	(4.9)	(49.2)
Change in cash and cash equivalents	+48.1	-1.4
Cash and cash equivalents at year-end	**266.5**	**265.1**

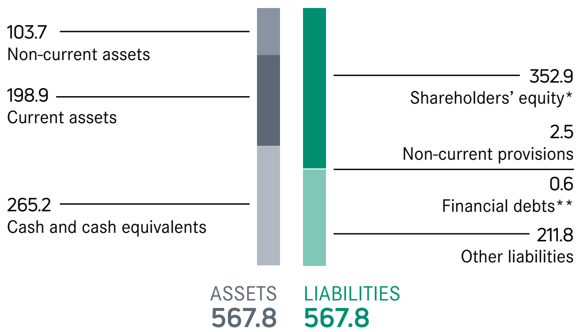
* Including capital gains on disposals.

SELF-FINANCING CAPACITY*
(in millions of euros)



* Net profit + non-cash items (mainly net depreciation and provisions).

CONSOLIDATED BALANCE SHEET
AT 12/31/2021 (in millions of euros)



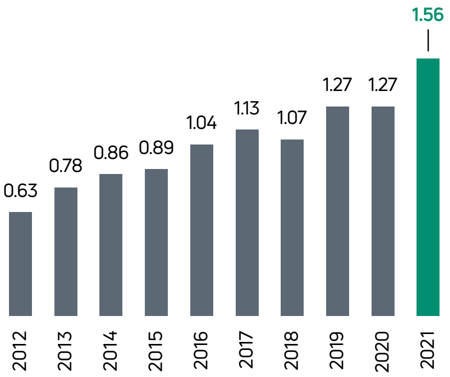
* Including minorities: 41.3.
** Short-term and long-term financial liabilities (including bank overdrafts: 0.1.

11.1%
2021
OPERATING PROFIT

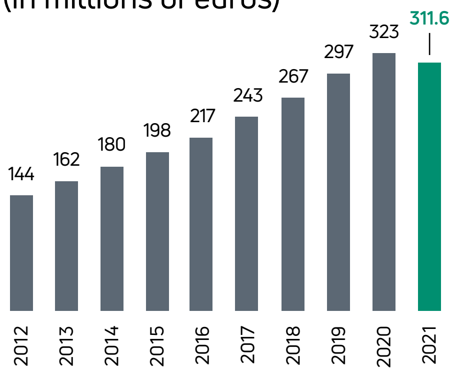
€264.6m
NET CASH
AT 12/31/2021

Shareholder information

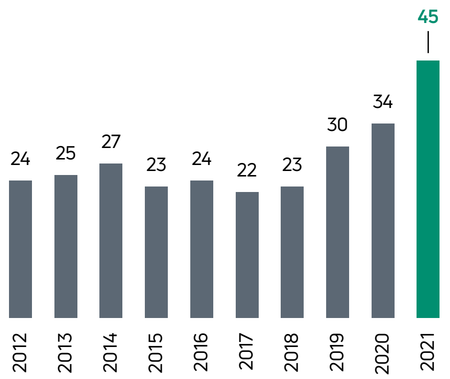
NET PROFIT – GROUP SHARE BY SHARE (in euros)



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

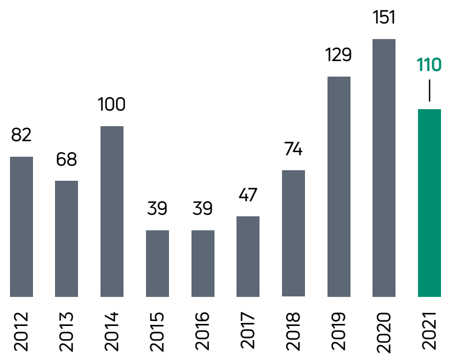


RETURN ON CAPITAL EMPLOYED* (as %)



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

CONVERSION OF RESULT INTO CASH* (as %)



* Before payment of dividend.

45%

RETURN ON CAPITAL EMPLOYED IN 2021

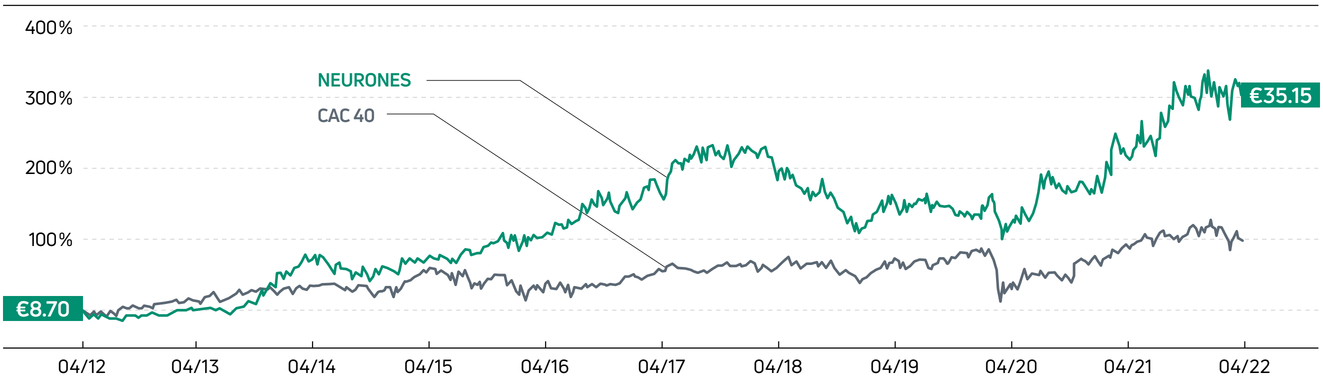
€1

PER SHARE DIVIDEND PROPOSED AT THE SHAREHOLDER'S MEETING ON JUNE 2, 2022

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Highest price (in euros)	9.20	13.58	16.00	18.35	24.70	29.80	29.00	23.30	26.00	38.10
Lowest price (in euros)	6.95	8.30	12.30	13.50	16.25	21.50	18.20	18.30	16.95	23.00
Closing price (year end - in euros)	8.33	12.59	13.86	17.41	22.36	28.80	18.90	20.60	23.40	38.00
Market capitalization (year-end - in millions of euros)	198	302	332	422	542	698	459	500	567	921
Number of shares (year end - in millions)	23.8	23.9	23.9	24.2	24.2	24.2	24.3	24.3	24.2	24.2

CHANGES IN NEURONES' SHARE PRICE OVER THE PAST 10 YEARS (from April 13, 2012 to April 13, 2022)



INVESTOR RELATIONS

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CALENDAR

Shareholders' Meeting:
Thursday June 2, 2022

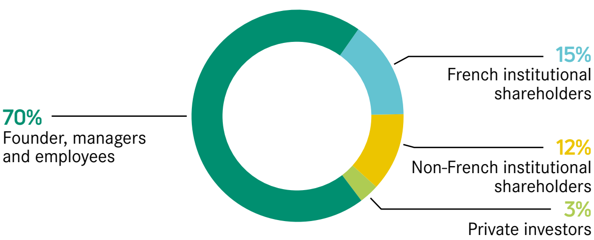
2nd quarter revenues:
Tuesday, August 3, 2022*

1st half profit:
September 7, 2022*

3rd quarter revenues:
November 9, 2022*

* Published after close of trading.

SHAREHOLDING (breakdown of capital)



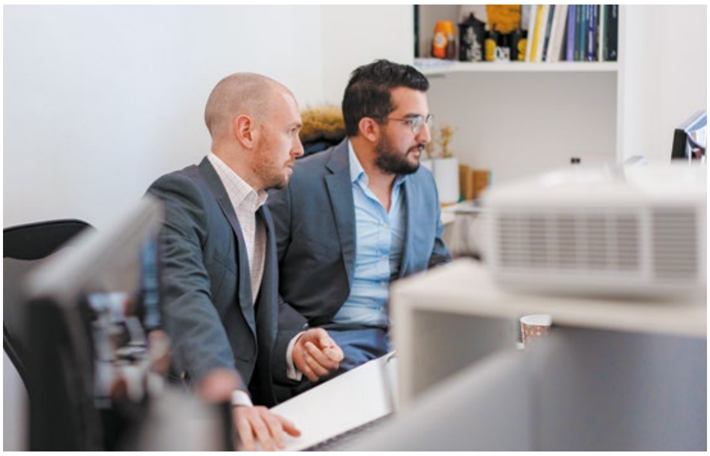
NEURONES SHARE (data sheet)

Share price*	€35.15
Market capitalization*	€852m
Number of shares*	24,228,216
Average daily volume** traded in 2021	13,400 shares
Indexes	Euronext Paris (Compartment B - NRO) Enternext Tech 40 – SRD mid-cap

* At April 13, 2022. ** 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.



58%

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 the first concrete applications of Artificial Intelligence (AI): chatbots for support processes, smart automatons to better anticipate security or IT operation incidents.

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.

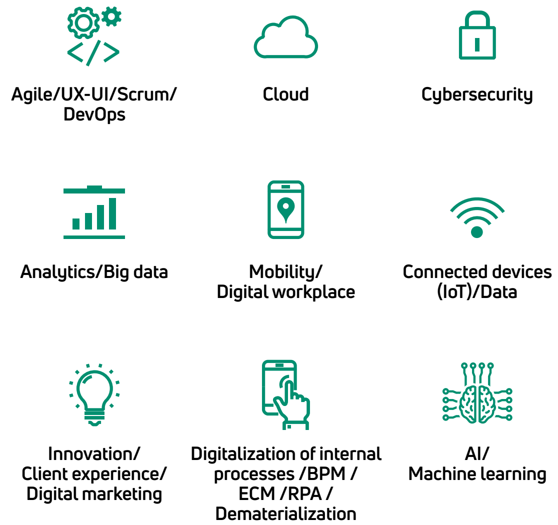
Alongside the new digital apps, they also need to continue maintaining their legacy apps with the earlier organization (engineering, integration and operation).

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



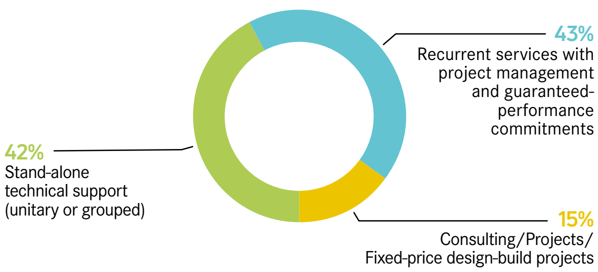
Resources

- increase (in organic growth) faster than the market, 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 (€265m 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 2021 REVENUES BY TYPE OF SERVICE



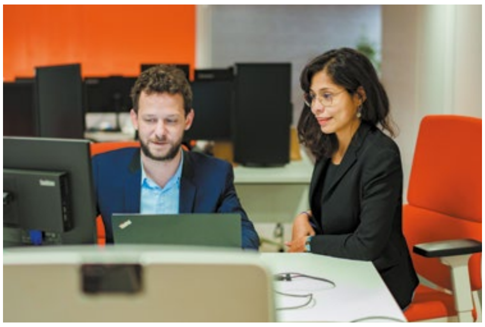
WORKFORCE BREAKDOWN 2021 BY GEOGRAPHIC ZONE

CORE BUSINESSES

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



66% THIS SEGMENT'S SHARE IN TOTAL REVENUES

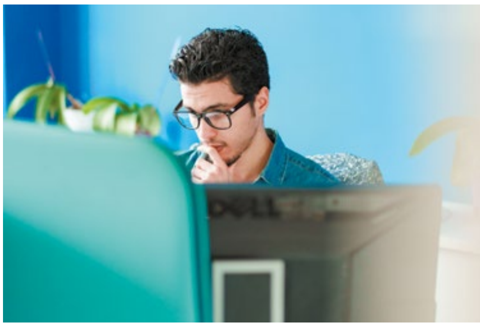
Public, private, hybrid clouds, DevOps,

Cybersecurity

User support, digital workplace

IT service management, infrastructure automation

Applications services



29% THIS SEGMENT'S SHARE IN TOTAL REVENUES

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

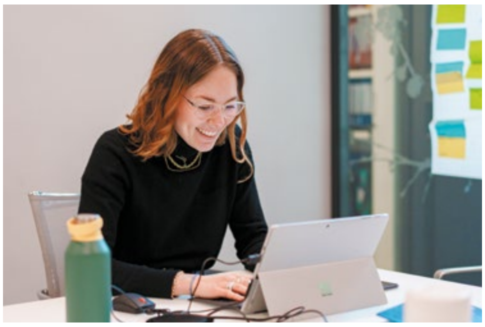
SAP

BPM, ECM, EDM, RPA, dematerialization, archiving

Market finance

IT training

Consulting



5% THIS SEGMENT'S SHARE IN TOTAL REVENUES

Management, organization and digital transformation consulting

Digital marketing consulting

CLIENT RELATIONSHIP MANAGEMENT WITH SELECTED CORPORATE CUSTOMERS

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 corporate customers.

COORDINATION OF MAJOR GLOBAL CONTRACTS

Duties include:

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

Infrastructure services

This segment, with a staff of 4,500 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.

€380.6m	10.6%	4,500
REVENUES GENERATED BY THIS SEGMENT IN 2021, REPRESENTING **66%** OF TOTAL BUSINESS	2021 OPERATING PROFIT	EMPLOYEES IN THE INFRASTRUCTURE SERVICES SEGMENT AT DECEMBER 31, 2021

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 open information systems and multiple terminals, user assistance, which is still vital, is also undergoing major innovations (RPA, "App" for response technicians, predictive analysis, self-help, chatbots, etc.). The Group carries out major transformation projects, as well as one-off responses, in various fields.

MANAGED SERVICES

The Group provides recurring services for infrastructures located in public and private clouds, as well as for applications located in containers. It also manages sets of servers on site and provides support for parks (of all sizes) of workstations and other terminals (users and local responses). Managed services (formerly partially known as "Outsourcing") are a mode of response 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 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.

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

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 management of private clouds and containers
- Managed infrastructure services
- Implementation of tools and production automation
- Workstation management
- Information systems security (including SOC, CERT, Threat Intelligence)
- Continuous Integration and Continuous Delivery
- Infrastructure automation: Cloud Management Platforms, SDDC

IN 2021...

Growth driven by cybersecurity (+10%), user support (+10%) and infrastructure automation and IT Service Management (+11%).

The growth of various forms of cloud and automated infrastructures (Infrastructure as Code, DevOps...) is stronger than the decrease of traditional infrastructure management services.

Increased security of internal information systems.

"SecNumCloud" qualification (Anssi) obtained (4 actors in France).

OUTLOOK...

Growing importance of cybersecurity.

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

Automated private cloud computing still has its advantages (PaaS services, CMP, sovereign cloud).

Widespread use of the hybrid cloud and multi-cloud.

INTERVIEW WITH…

SÉBASTIEN, *General Manager (Public, Private, Hybrid Cloud)*

Trusted Cloud: NEURONES asserts its ambitions

The Cloud is accelerating the digital transformation of companies and is experiencing considerable growth. Faced with growing demands for automation, security and sovereignty, the consolidation of the sector is underway, leading to the emergence of trusted players, including NEURONES, which has been awarded the "SecNumCloud" qualification by the ANSSI.

What are the questions that companies and organizations are asking themselves today in their use of the various forms of Cloud solutions?

There has been a profound change in client expectations, as they have reached a certain maturity in the process of moving to Cloud solutions. The opposition between private and public cloud computing is no longer relevant: the main issue today for a company or an organization is to find the landing zone in the cloud that best meets its business challenges, its application ecosystem, while controlling the financial equation. The other concern that is becoming increasingly important today is that of sovereignty.

Why has cloud sovereignty become a major issue?

Public authorities are legitimately pushing for sensitive government data, and public sector data in general, to be hosted on secure platforms that meet the "SecNumCloud" qualification. This need for compliance also affects all French companies that have strategic data. The health crisis, by complicating international trade, has generated a strong awareness. This is of course to support the French economic fabric, but above all to reduce exposure to geopolitical risks. No one can predict today what the economic situation and international power relations will be in five years. This is why the French government is making strategic French companies aware of these issues and encouraging them to migrate to a sovereign "trusted cloud" called "SecNumCloud"

What exactly is the SecNumCloud qualification?

It is a reference base defined by the National Agency for Information Systems Security, designed to guarantee the highest level of security for sensitive and strategic data. The various audits commissioned by the ANSSI are really intrusive. They are based on real tests, which aim to ensure that data is fully encrypted and isolated, that there is a secure disaster recovery plan (DRP) for all client environments, etc. Thus, with this qualification, the State guarantees the highest level of security according to the standards in force in order to protect against hacking. Already recognized as one of the leaders in sovereign cloud in France, the Group embarked on this qualification process in 2019.

What changes did you have to make to your cloud platform to obtain the ANSSI's sesame?

It is a complex project, which represents the work of twenty architects, developers

"THE GROUP IS DETERMINED TO ESTABLISH ITSELF AMONG THE LEADERS IN THE SOVEREIGN CLOUD, IN FRANCE AND IN EUROPE, WITH STRONG GROWTH MOMENTUM."

and DevOps dedicated for three years to ensure the security of the technical base based on extremely demanding criteria. For NEURONES, the issue of security goes far beyond infrastructure and data centers. The main challenge, in order to maintain the benefits of the Cloud, is automation: this is a colossal software project, which has been designed in an industrial manner. We have therefore developed a new “trusted cloud” platform, which has enabled us to obtain the “SecNumCloud” label.

What changes for clients?

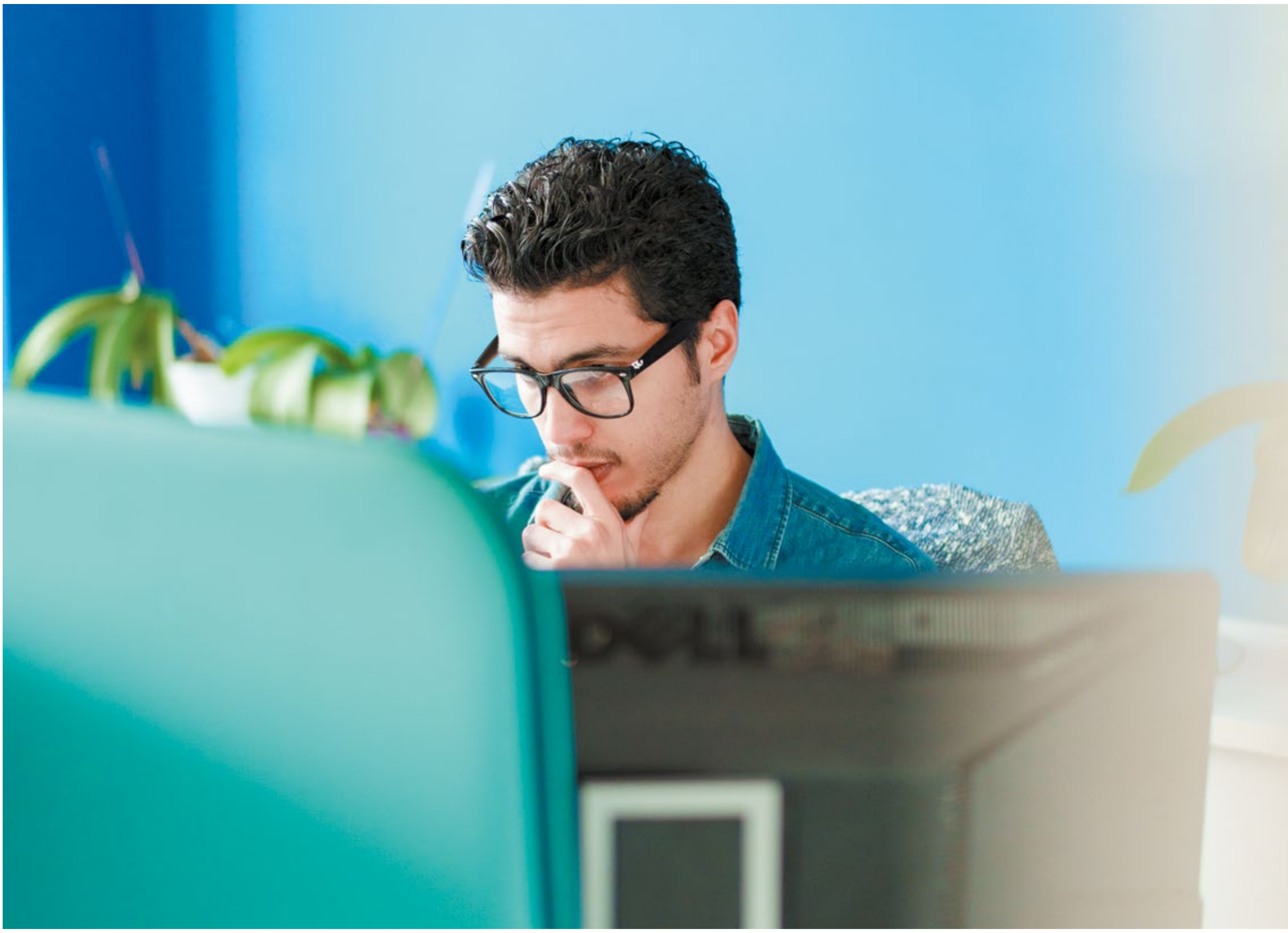
Both everything and nothing! The SecNumCloud infrastructure now allows for full “as code” operation. This application-oriented automation process is the keystone of the evolution of information systems. The objective is clear: to ensure that security is induced for all clients, without compromising their modernization projects. This platform is natively hybrid and connected with the ecosystem of public cloud providers. This allows clients to access the most effective solutions for their technology needs whenever they want. It was decided to migrate all of them to this SecNumCloud infrastructure in the coming months, and thus give them the benefit of this enhanced security free of charge. This SecNumCloud platform should then become the largest in France.

Does being recognized as a “trusted cloud” mean new prospects for NEURONES?

Today, there are only four players in France with the SecNumCloud label. And the market for compliance is vast, with few competitors able to meet these standards. The group is determined to become one of the leaders in the sovereign cloud in France and Europe in the coming years, with strong growth momentum. The sector consolidation will continue, and NEURONES is leading the race, with the right positioning to play an active role in the market evolution. The impetus provided by the French government and European authorities, who want to see the emergence of major European sovereign cloud operators in the coming years, will help accelerate success.

Application services

This segment of 1,200 employees represents more than twenty years of experience in application projects, serving clients who are engaged in successive improvements to their information systems and who are currently undergoing their digital transformation.



€167.2m

REVENUES GENERATED BY THIS SEGMENT IN 2021, REPRESENTING **29%** OF TOTAL BUSINESS

10.4%

2021 OPERATING PROFIT

1,200

EMPLOYEES IN THE APPLICATION SERVICES SEGMENT AT DECEMBER 31, 2021

DESIGN/BUILD

NEURONES is active in both software package integration (ERP, CRM, ECM/BPM, EDM) 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 fifty or so contracts cover batches of several applications, interfaces or even entire application asset bases.

SAP TMA centers, BPM/EDM applications and web developments use DevOps components. 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)

CORE BUSINESSES

- 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 dedicated 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.)

IN 2021...

Strong growth in digital, data, mobility and UX/UI (+28%).

Start of major contracts in SAP (+14%).

Market Finance + 23%. BPM and dematerialization + 8%.

OUTLOOK...

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

Dynamics around SAP thanks to the transition to S/4Hana , whose migrations are spread out over time.

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


“DEVOPS IS NOT JUST A SET OF TOOLS THAT AUTOMATE APPLICATION DELIVERY, IT IS A CULTURE CHANGE.”

INTERVIEW WITH...

FABIEN, *Assistant Technical Manager (Market Finance)*

DevOps, a powerful lever for creating value

Ten years ago, NEURONES enhanced its range of services with a new Agile method designed to accelerate the production of application projects: DevOps. A genuine revolution, which has unleashed the creativity of IT teams and accelerated the digital transformation. DevOps is more relevant than ever, and still holds great potential for the evolution and hybridization of businesses.

Why is DevOps so successful in the IT world?

DevOps, inspired by Agile methods, allows two very different IT professions to work together: on the one hand, application developers and, on the other, those who operate the systems that host these applications. Born at the end of the 2000s, it was widely deployed in the 2010s, so much so that today the uses linked to DevOps have transformed the way IT projects are implemented, with potentially faster deliveries, better user experience, and increased application quality and resilience.

Are the benefits of DevOps immediate for clients?

DevOps is not a magic formula! There are a number of conditions that must be met for it to be of real benefit. These conditions have to do with the company itself, its field of activity, its size, its strategic choices, the technical complexity of the projects to be carried out and the quality of the relations between the IT specialists and the business lines that "order" the application. In concrete terms, a DevOps chain acts in parallel on three pillars: delivery automation, communication between different IT cultures and simplification of internal validation processes. To be successful, you must be able to check all these boxes.

What obstacles do projects sometimes face?

Let me give you a specific example. Accelerated deliveries are only effective if internal processes follow: if each new version requires complex validations, you lose the ability to update an application in real time. This aspect of the transformation is particularly difficult to achieve in companies, such as banks or large groups, where procedures have built up over time and where there is considerable inertia. However, it is essential to the success of the project. In this respect, it is important to understand that DevOps is not simply a set of tools to automate application delivery, it is a change in culture. On the other hand, in small, more agile companies, fintechs, start-ups, e-tailers, or even neobanks, DevOps brings value very quickly and allows teams to practice short iterations, with extremely fast updates.

You mention the cultural dimension of the transformation linked to DevOps. How does it work?

It is twofold. On the one hand, by working in the same teams, developers and infrastructure managers learn to understand each other, share their difficulties and take initiatives together. It is rewarding from a human point of view. At the same time, DevOps is bringing about profound changes in the innovation culture. With automation and short iteration cycles, it becomes much easier to deploy, and therefore to make adjustments in case of errors. The result is a bolder mindset, more open to experimentation, and a new dynamic that is spreading throughout the IT teams.

How does NEURONES help companies leverage the full value creation potential of DevOps?

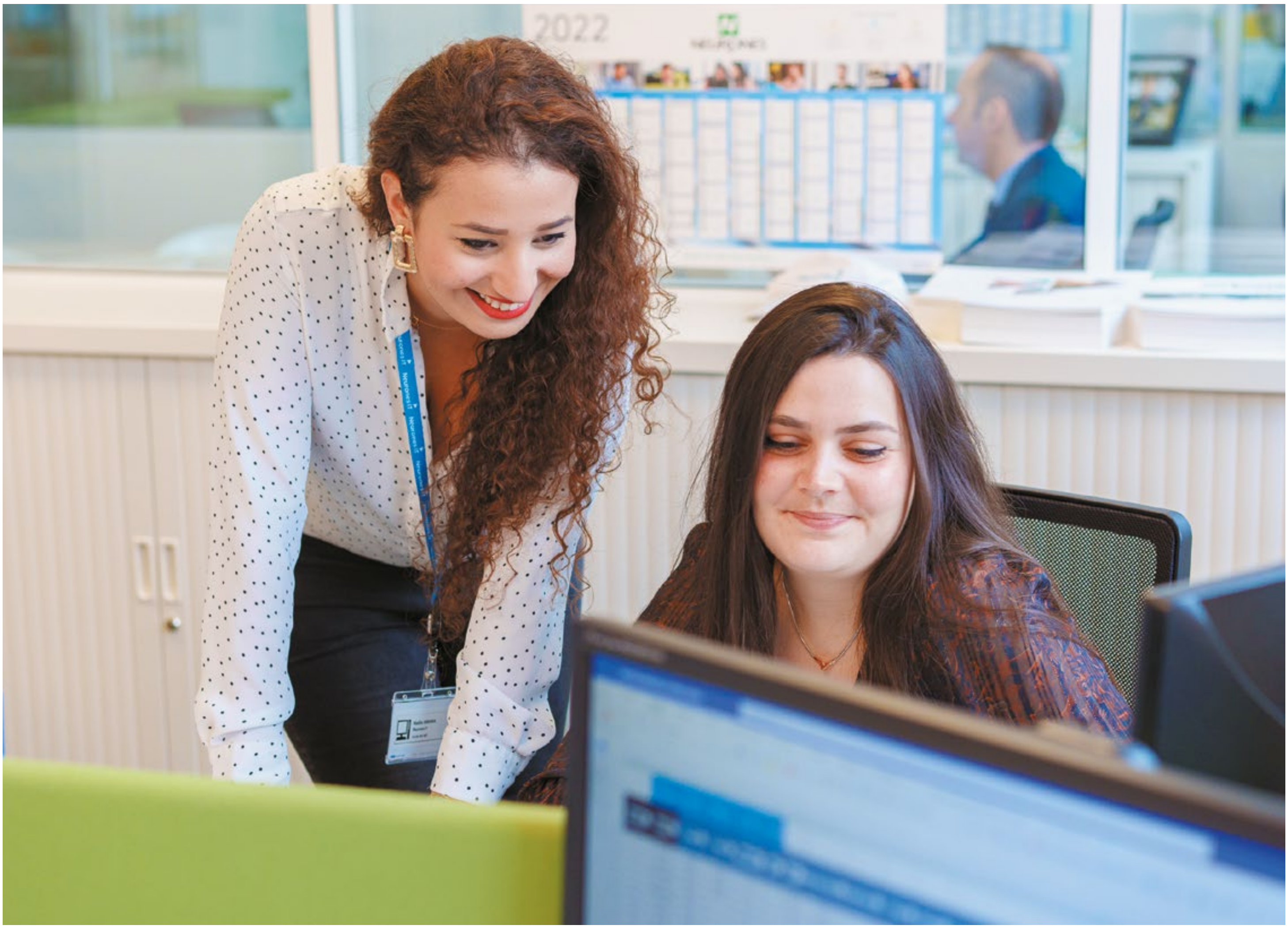
With ten years' experience in the field, NEURONES has acquired a solid reputation on large-scale projects, covering an entire company, with many parallel business lines, and a portfolio of several hundred applications. The Group's strength lies in the complementary nature of its expertise. Large DevOps projects sometimes drift when the project design is disconnected from the technical implementation, with a consulting firm designing a roadmap upstream and IT experts stepping in, sometimes several years later, to implement the transformation without knowing its origins. In contrast, NEURONES knows how to manage a global project, from upstream to downstream, by mobilizing around its DevOps experts specialized skills in change management, IT security, the Cloud, training, etc.

What are the prospects for the development of DevOps today?

The need to move application value to production very quickly, and to accelerate the pace of iterations and updates, is stronger than ever. The model is an integral part of the way IT teams operate, and they have equipped themselves with DevOps platforms or "software factories". That's why DevOps has a long way to go, especially since it has led to the emergence of other practices, called "as code", in which the infrastructure or monitoring, for example, will be managed by the developer. It is a real hybridization of the "Dev" and "Ops" professions that is taking shape, with good prospects for NEURONES to support future transformations.

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.



17

SERVICE CENTERS DEDICATED TO INFRASTRUCTURE SERVICES

420

MANAGED SERVICE CONTRACTS FOR INFRASTRUCTURE AND CYBERSECURITY

5

SERVICE CENTERS DEDICATED TO APPLICATIONS

9

SERVICE DESKS

- 1,600 professionals
- 24/7 availability
- Multilingual
- Nanterre, Angers, Frankfurt, Lille, Lyon, Milan, Nantes, Tunis and Timisoara

7

SERVICE CENTERS FOR SERVERS AND APPLICATIONS

- 600 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

11

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

MANAGED INFRASTRUCTURE SERVICES

Top 25 contracts
€3m per year on average

145 contracts
€0.5m per year on average

250 contracts
€0.1m per year on average

2,500
employees working on contracts

28,000
third-party or proprietary servers operated

9 million
service desk and application support cases handled

300,000
workstations managed

Labels SecNumCloud and Passi by ANSSI

ISO 27001 - Managed services from infrastructure service centers

CERT certification of the Security Operations Center Founding member

Certification of Health Data Hosting infrastructure services

Consulting

Managed by consultants with previous experience in major international firms, this business segment with a staff of over 200 consultants provides consulting services in management and organization, digital transformation and digital marketing.

€32.1m

REVENUES GENERATED BY THIS SEGMENT IN 2021, REPRESENTING **5%** OF TOTAL BUSINESS

12.1%

2021 OPERATING PROFIT

200

EMPLOYEES IN THE CONSULTING SEGMENT AT DECEMBER 31, 2021

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 customers. 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

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

IN 2021...

13% growth driven by transformation programs (mergers, etc.) in energy and finance.

Missions of strategy consulting in energy.

Merger at the end of the year with an HR transformation consulting firm.

B Corp certification (March) and "Entreprise à mission" (purpose-driven company) certification (June).

OUTLOOK...

Continue to diversify accounts and sectors.

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

Strengthen partners' ecosystems to increase resilience.

INTERVIEW WITH...

BENOÎT, *Partner (Management and organization consulting)*

When CSR strategy becomes a real corporate project

With many large CAC 40 groups now committed to submitting their climate strategy to a vote of their shareholders, CSR is becoming a central focus of corporate development. With solid experience in change management, NEURONES assists organizations in building a progress trajectory, step by step.

The desire to combine economic performance and positive impact is now at the heart of many companies' strategies. What explains this evolution?

For decades, taking societal impact into account has been perceived as an additional cost, and therefore a drag on financial performance. Today, everyone has understood that resources are not infinite. The awareness is global, and this is what explains this paradigm shift. When consumers and clients themselves accept to bear part of the cost of environmental and societal commitments, and when governments legislate and support the economy in this direction, companies are then able to take this shift to sustainable growth without jeopardizing their profitability model.

Precisely, what are the risks inherent in this transformation?

The first responsibility of a company is to be economically viable, to survive. Adopting a more sustainable business model cannot be done without taking into account the entire ecosystem, the state of competition and the expectations of stakeholders. But today's risks are also extra-financial: a company's capital is also its image with clients, its reputation with candidates, and the satisfaction of its employees. Carrying out a CSR strategy is all about pace. If you move too fast, you run the risk of weakening your growth. To remain inactive means being doomed, in the medium or even short term.

What are the levers to be activated to move towards a more sustainable growth model?

The issue of responsibility affects all segments of economic activity. The levers to be activated therefore concern all business lines: purchasing, with a more demanding selection of suppliers; operational processes, by improving energy performance; logistics, by opting for transport that emits less CO_2; human resources management, by offering a fulfilling working environment, etc. There are many areas of work, and it is possible to act at different levels, step by step. We can also decide to go further and make this transformation a real company project, in particular through a global certification process. This is precisely the choice made by the entity specialized in management and organization consulting at NEURONES, by committing itself to a process leading to the new legal status of "company with a mission", which places societal and environmental impact at the heart of the raison d'être of a commercial company, in the same way as profitability. Its B Corp certification, awarded by an independent U.S. organization, is also a highly sought-after label today by large companies. These different approaches, which are very structuring

for organizations, are also a way to show its transformation to all stakeholders, including the company, customers and candidates.

How does NEURONES support companies in this transformation?

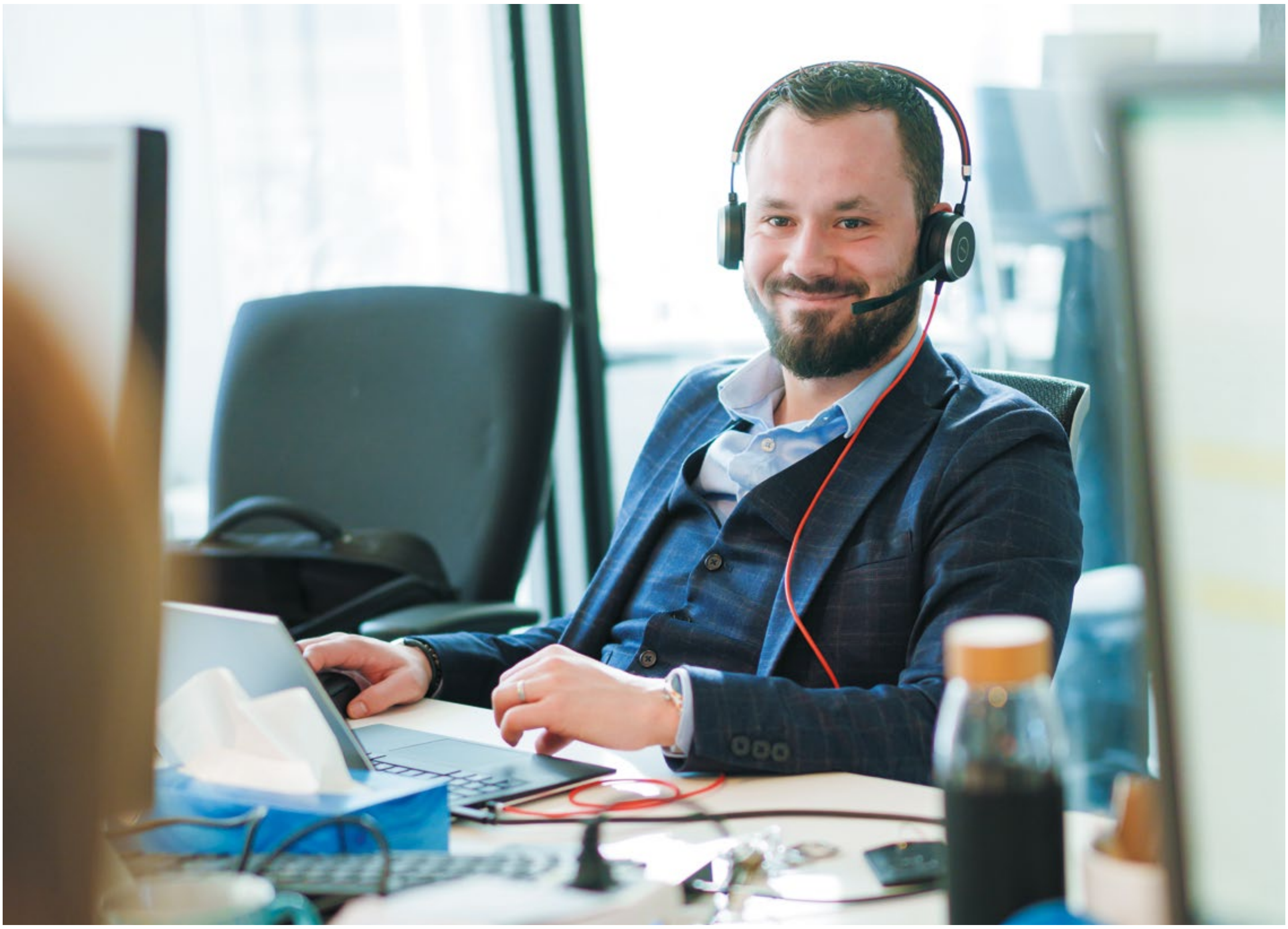
The first and most important step in an improvement plan is to measure performance. Knowing where you are, activity by activity, allows you to build a route. Let's take the recent example of a French group, leader in the distribution of electrical equipment. The company decided to structure its approach more effectively and asked our entity to help it produce its first CSR report. The players in its ecosystem (customers, suppliers, competitors, etc.) were first benchmarked, to shed light on the state of the art in its sector. Interviews were then conducted with managers from different entities to identify initiatives and best practices, in France, Brazil and Australia, in order to build up an inventory. Discussions with the governance team led to the selection of relevant indicators to measure performance and to support the definition of quantified objectives. It is this trajectory that was able to be shaped in the drafting of the CSR report, constituting an essential step in feeding the company's impact strategy.

In your opinion, what are the requirements for a successful impact strategy?

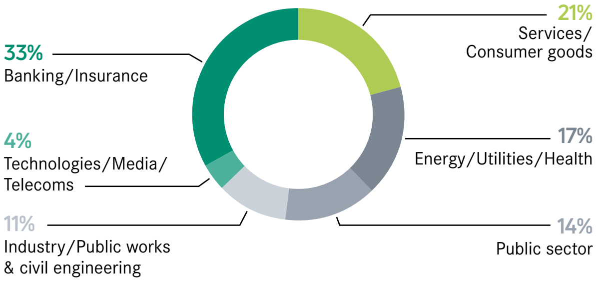
The human aspect is essential. The commitment of governance and top management is a prerequisite, without which no transformation of this magnitude, which affects the very growth model of a company, can be carried out successfully. And what is true at the highest level is also true at all levels of the organization. This is an important lesson from the last few months: while a CSR approach has long been perceived as a technical subject, which concerns experts in the field, we now feel that employees as a whole are getting involved. They are often the driving force behind the company's impact strategy, with the desire to set ever higher ambitions. This alignment between customers, regulators and the teams themselves is a sign that companies are moving into a new world.

References and achievements

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



2021 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
GROUPE MONTEPASCHI
MACIF
MALAKOFF HUMANIS
SOCIÉTÉ GÉNÉRALE
STELLIANT

SERVICES - TRANSPORTATION CONSUMER GOODS

ACCOR
ADEO (LEROY MERLIN...)
AUCHAN
BEL
CHANEL
EDENRED
KERING
KPMG
L'ORÉAL
LVMH
NESTLÉ
OPCO ATLAS
PUBLICIS
TRANSDEV
YUM ! BRANDS (KFC...)

ENERGY - UTILITIES - HEALTHCARE

ASTRAZENECA
BAYER
DELPHARM
EDF
ENGIE
ENI
EXPANSCIENCE
INSTITUT PASTEUR
RESAH
REXEL
SANOFI
SERVIER
STAGO
TOTAL ÉNERGIES
VEOLIA

TECHNOLOGY - MEDIA - TELECOMS

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

INDUSTRY - CONSTRUCTION & CIVIL ENGINEERING

ALTAREA COGEDIM
AVRIL
BOUYGUES
BRENNTAG
CHANTIERS DE L'ATLANTIQUE
DAHER
ERAMET
IMERYS
INGENICO
INVIVO
JCDECAUX
NEXITY
SAINT GOBAIN
THALES
VINCI

PUBLIC SECTOR

AGENCE FRANCAISE DE DÉVELOPPEMENT
ANDRA
APAVE
AUTORITÉ DES MARCHÉS FINANCIERS
BANQUE DE FRANCE
CAISSE DES DÉPÔTS
CONSEIL DÉPART. DES HAUTS-DE-SEINE
LA FRANÇAISE DES JEUX
LA POSTE
OCDE
PMU
RADIO FRANCE
RÉGION ILE-DE-FRANCE
SNCF
UGAP

80%

OF CAC 40 COMPANIES PLACE THEIR TRUST IN NEURONES

1,000

CLIENTS CONTRIBUTE EACH YEAR TO REVENUE GROWTH

9.3%

SHARE OF THE NO. 1 CLIENT IN REVENUES

SELECTED ACHIEVEMENTS IN 2021

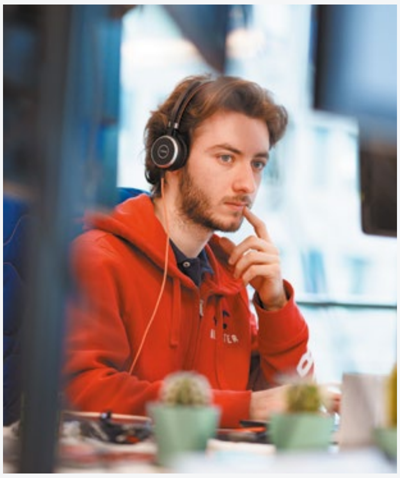
APPLICATIONS

For a French water and waste-management group

Completing one of the largest projects (223 companies, around 20 countries...) to transfer applications from the SAP ECC6 platform to Hana, with the migration of the CRM (Customer Relationship Management), the BW (Datawarehouse) module and the SAP Portal to the Hana base, at the same time as the move to the public cloud (Azure).

INFRASTRUCTURES

For a multinational food services firm



To control the client company's data and data exposure on the Internet, we set up a Cyber Threat Intelligence (CTI) service to detect information leaks and draw up the scenarios for anticipating potential data compromise situations. Service provided on the different layers of the Web, from Google searches through to Darknet forums.

CONSULTING

For a stakeholder in the agrifood sector

Organizing, directing and carrying out the IT development activities involved in updating the rules for granting credit. The objective of this project is to pool (in Romania) all these activities, which until now were handled in twelve different countries. Today, the rollout has already been completed in six countries.

INFRASTRUCTURES

For a producer of exclusively renewable energy

In order to modernize and secure a heterogenous and aging international infrastructure, and render it more agile: implementation of a hybrid hosting platform (through NEURONES' highly secure private cloud computing, in conjunction with the Azure public cloud computing) and in-service maintenance of the new Information System.

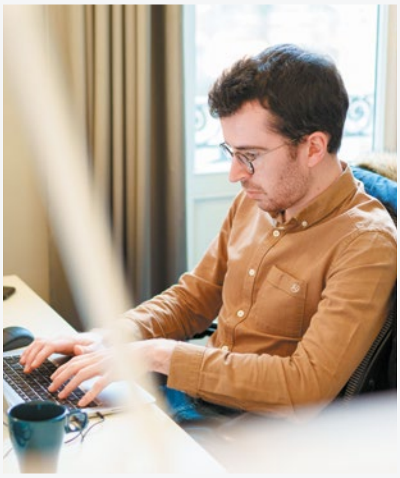
APPLICATIONS

For a Swiss luxury watch manufacturer

As part of the company's overall modernization, with a focus on improving customer experience: design and implementation of an automated "customer service workflow" process (maintenance and repair of watches and accessories) and interface with the company's ERP.

CONSULTING

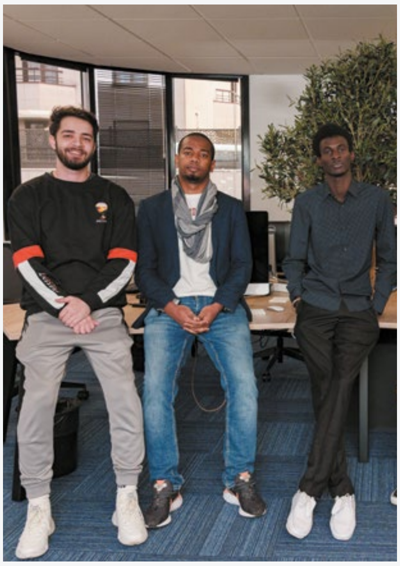
For a major French hospital association



As part of the "Ségur de la Santé" (French health-sector reform): designing and rolling out (within a very short period of time) an online tool to help health-care workers understand the details and effects of the reform, enabling them to estimate the immediate impact on their salary and carry out a medium-term career projection.

APPLICATIONS

For a major insurance company



Guiding and supporting the Information System transformation program: transferred all of the IARD insurance products to a standard, off-the-shelf solution (Guidewire) in order to upgrade and streamline ties with the company's customers.

INFRASTRUCTURES

For an international economic research organization

Designing, making a 3D prototype and setting up a "Digital bar" to upgrade the IT support. It is a "MyConnectedCompany®" space, designed and fitted out to measure in different areas: user support, training area, delivery or replacement of laptops and their accessories, repair center...

CONSULTING

For two banking groups

Coordinating the business teams, project management and support to align processes and tools as part of the merger process between their "private banking" entities. The aim was to act as a "control tower" to ensure the consistency and transverse implementation of the program.

CONSULTING
For a leading French gas distribution company
Accompanying the various stakeholders in the development of a research and innovation program (under the impetus of the Commission de Régulation de l'Énergie).

INFRASTRUCTURES
For a leading French funeral services company
Upgrading the information system to a native hybrid cloud infrastructure: one part in a secure private cloud computing (SecNumCloud) and the other on Azure. Benefits: business mergers, automated deployment of applications, greater agility and security.

APPLICATIONS
For a major water distribution group
Modernizing one of its ERP systems to create a reference base for all its entities. Migrating to SAP S4/Hana with deployment on the Azure cloud. A major project – entirely carried out via teleworking over a period of 8 months – involving 2,500 users in 180 active companies in 50 countries.

INFRASTRUCTURES
For a major banking group

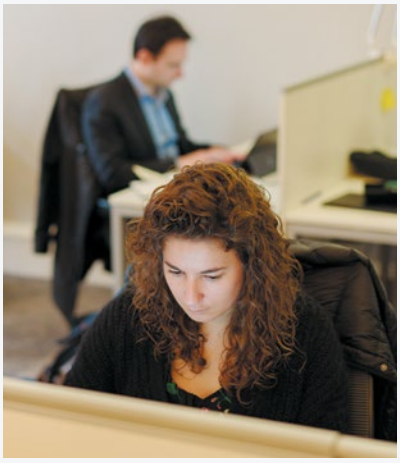
Digitizing support process as part of a project aimed at unifying tools for 150,000 employees (headquarters and branches). This included implementing a WebCallBack system and a VoiceBot, thus providing users with automated, personalized support enabling them to save time.

APPLICATIONS
For a major public health establishment
Supporting the project team (Assisting the Contracting Authority) in terms of change management, in the context of the dematerialization of orders and purchasing processes. Achievements: learning engineering, created material, set up a Learning Management System (LMS) platform and provided resources by producing e-Learning modules.

CONSULTING
For a major French bank
Strengthening the customer culture prior to rolling out the Salesforce CRM tool. The mission consisted in setting up, with the top management, an awareness seminar for the sales and marketing teams as well as an "appropriation course" (three weeks).

APPLICATIONS
For a public social security organization
As part of a project concerning the migration of the decision-making information system: creation and delivery (including all the logistics and project management aspects) of five customized training courses for 1,000 users and internal experts spread across 100 offices. Implementation in just 12 months.

CONSULTING
For a player in the electricity market
Mission to support the implementation, industrialization and monitoring phases of a project to deploy intelligent automatons, aimed at adjusting large-scale electricity production to avoid saturating the network. This is linked to the significant additional contribution of renewable energies, which has created new challenges in terms of electricity management.



INFRASTRUCTURES
For a leading digital payment company
Assessment of the security level of its Cloud infrastructure: PASSI-qualified audit (French certification for Information Systems Security Audit Provider), including a diagnosis (in relation to the effectiveness, in the face of alerts, of the supervision and administration platform concerning the information system's security), as well as recommendations for improvement.

RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

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.

In the long term, there is a clear convergence between the objective of financial performance and the consideration of Environmental, Social and Governance criteria.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSER)

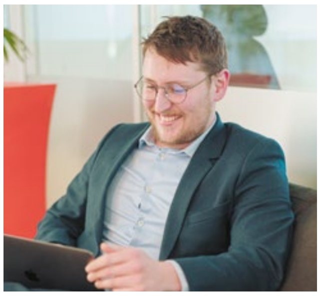
For the tenth consecutive year, the Non-Financial Performance Statement – NFPS (page 59 of this document), followed by the auditor's opinion:

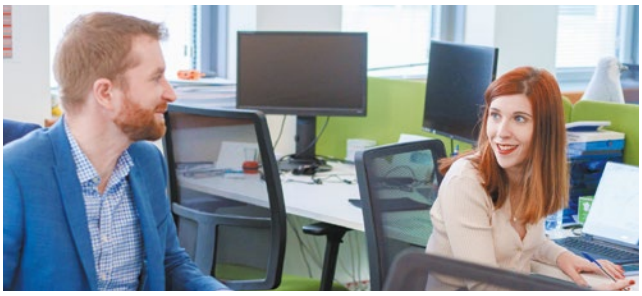
- addresses environmental, social and societal aspects, since NEURONES is convinced that success is achieved by including all stakeholders in the eco-system, not just the clients and employees: sub-contractors, other service providers (including fellow companies), training organizations (including engineering 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 111 and following) complies with most of the recommendations of the MiddleNext code for medium-sized companies. The compensation of company officers (pages 115 to 118) and other information concerning them are indicated in accordance with the recommendations of this 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.

280

NET JOBS CREATED IN 2021 (WITH CONSTANT STRUCTURES)

65

NATIONALITIES REPRESENTED AMONG THE GROUP'S PAYROLL

OUR NUMBER 1 ASSET: HUMAN RESOURCES

Right from the outset, the Group established an ambitious and innovative Human Resources policy that fosters diversity: 65 nationalities represented, a variety of academic backgrounds, including young, seasoned and senior professionals, 420 apprentices, interns and professionalization contracts in 2021, of which more than 93% were open-ended contracts.

Numerous job creations:

- net job creation each year, including in 2021 (+280 with constant structures), 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:

- association of about 200 business leaders, executives and managers in the companies they develop,
- distribution of bonus shares to the most committed employees,
- 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 business lines 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:

- a managerial environment that empowers people and let's them build their future,

A labelled entity for 2022

Two subsidiaries awarded in 2021

One of the Group's companies has obtained this certification seven times since 2012

Four business lines are signatories

- permanent adaptation to the new forms of work of the premises, of their layout and decoration,
- shareholder structure that protects the Group from decisions made by uninvolved shareholders.

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

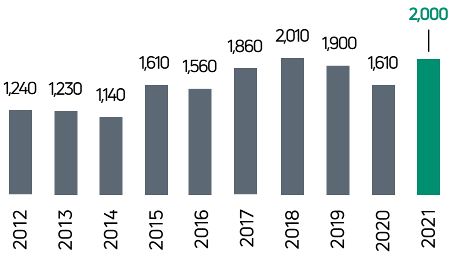
CLIENTS

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

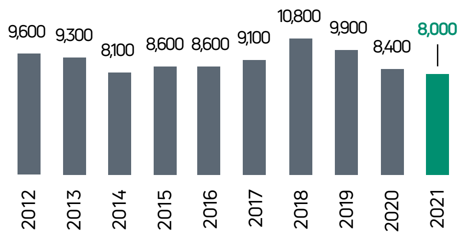
Industrialized and pooled services:

- In 2021, €6.4m 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)



NEURONES is a member of the United Nations Global Compact

NEURONES is regularly evaluated by the EcoVadis questionnaire

NEURONES has again been selected for inclusion in the Gaïa 2021 index

NEURONES communicates its carbon footprint with of the Carbon Disclosure Project

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 service centers and regular ISAE 34-02 audits are ISO 27001 certified.
- one entity is Health Data Hosting (HDH) certified.
- secNumCloud certification for an entity.

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 very long time, all earnings were reinvested (when the company was not listed). Today, earnings are largely set aside to give the Group the means to achieve its ambitions, regardless of the situation in the financial markets, the economic climate or credit conditions.

Regular, transparent communications:

- the annual and half-yearly results (audited) 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.

78%

OF THE LAST 10 YEARS' PROFITS PLACED IN RESERVE TO FUND FUTURE DEVELOPMENTS

€6.4m

INVESTED IN 2021 IN CLOUD COMPUTING AND SERVICE CENTERS

WHAT OUR PEOPLE HAVE TO SAY

ASPIRATIONS, PASSIONS, CAREER PATHS AND MORE

Émilie,

Senior Consultant (SAP)

With NEURONES since 2001

After completing a degree in Management and a Business School with a specialization in accounting and finance, I was destined to work in financial control or in a financial department. During my internship, I worked with SAP consultants and I understood that information management belonged to those who set up the tool. Data analysis was not enough for me: I wanted to be able to build the information systems in order to make them available to the business lines.

> THE GROUP HAS ALLOWED ME TO BALANCE MY PROFESSIONAL AND PERSONAL LIFE.

In 2001, at the age of 25, I was hired as a Junior Project Consultant. The founders had taken a chance, despite the uncertain post-9/11 environment, to hire young graduates. At the time, there were about ten of us in the company. Since then, it has grown by relying on the group to benefit from its structure, its expertise and its resources. Now the SAP entity of NEURONES (with more than 400 specialists), it has retained the SME spirit of the early days. Its founders, always present, gave me the chance to learn alongside them, in the field. The group also allowed me to balance my professional and personal life. I was able to increase my skills without it taking precedence over my family life.

In 20 years, I have carried out some very nice long-term assignments with quality customers (Bnp Paribas, Alcatel, Engie, Klepierre, Saint-Gobain Desjonquères, etc.) in various fields of activity. I have always been 100% at my customers' premises, which has allowed me to build real trust-based relationships. This corresponds well to my loyal character!

Gildas,

Sales Director (Infrastructure Managed Services)

With NEURONES since 2003

After graduating from a business school, I joined a group entity dedicated to infrastructure in 2003 as a Business Engineer. The company, which had a hundred employees at the time (nearly a thousand today!), was already standing out for the projects and value commitments it offered to customers. I liked that.

Right from the start, I was lucky enough to be supported by high-quality managers: they trusted me and helped me grow. This allowed me to take off, towards the highest commercial function, but not only: I have also been in charge of the Recruitment department for two years. Sales and Recruitment are the two engines that allow the company to grow year after year. This is why I am now a member of the management committee of our Business Unit. I like to take on big challenges and make decisions with a great deal of autonomy.

All this was possible thanks to the Group' s corporate culture. It provides the means corresponding to one's ambitions, gives responsibility, allows one to build over time, healthily and safely, thus offering certain areas for development. Entrepreneurship at NEURONES is not a meaningless word, it is tangible every day for those who know how to take advantage of it. I have always felt free to take risks, initiatives, to be a force of proposal, to surpass myself and go further. There is no room for boredom, the desire to do better is perpetual, I learn, I experiment, I phosphorize all the time! And, after 19 years in the company, I intend to continue this great journey.

> AT NEURONES, ENTREPRENEURSHIP IS NOT A MEANINGLESS WORD!

WHAT OUR PEOPLE HAVE TO SAY

ASPIRATIONS, PASSIONS, CAREER PATHS AND MORE

Muriel,

Project Manager (Mobility)

With NEURONES since 2006

After studying engineering and specializing in networks, my first steps were in a large audit firm. The telephone hotline for office automation tools and message services, on-site troubleshooting and user training were part of my missions at the time. Noticing that the needs of the employees were not always covered by the information systems in place, I wanted to work in an ESN. The warm and friendly atmosphere, the conviviality, the collaborative spirit and the values transmitted by NEURONES met my aspirations. I saw it as an ideal environment to start a new professional journey!

"I WAS LUCKY ENOUGH TO BE ABLE TO EVOLVE AUTONOMOUSLY, WHILE BENEFITING FROM THE ANCHORING AND SUPPORT OF THE COMPANY."

So in 2006, I joined one of the group's companies which gave me responsibilities in line with my expectations and skills. Several long term missions with corporate customers followed one another, mainly in the field of network administration and message services. As a consultant, I was lucky enough to be able to evolve autonomously, while benefiting from the anchoring and support of the company.

In 2014, a mobile device and application management integration unit was created and I joined the team. In 2016, it became the group's mobility entity. Today, I lead projects around mobile fleets (Smartphone, PC, IoT, etc.), which I coordinate, from the purchase, to the provision to users. These missions are very rewarding and often challenging. The complex projects are motivating and correspond well to my know-how and my character!

Jérôme,

Director (Public, private cloud)

With NEURONES since 2020

After 15 years in the development and production of video games, I was in charge of the development of major editions for a major player in the industry. During this period, I was regularly trained in new skills, including project management, MBA in management and Agile methods. My interest in new technologies then led me to an ESN specializing in the Cloud, where I spent two years as a corporate customers consultant and «Transformation» manager.

The bosses of the group's Cloud entity, who were looking to move quickly, then offered me the opportunity to create a new business unit, bringing together some thirty experts, and to take on a decision-making role within the management committee. This exciting challenge, combined with their open-mindedness and willingness to move forward, really appealed to me. So I joined them with enthusiasm. Moreover, NEURONES represents in my eyes a real model of success, with fundamental human values and a lot of autonomy left to the companies.

"NEURONES REPRESENTS IN MY EYES A REAL MODEL OF SUCCESS, WITH FUNDAMENTAL HUMAN VALUES."

Today, my scope is very wide and the missions very diverse. I manage five teams of experts in a Spotify-like Agile organization model. I also have commercial missions, support for certain strategic customers, and reflection on the company's technological choices... I am passionate about being a forerunner in the field of new technologies. My ambition is for our company to become a leader in its field and be recognized for the excellence of its know-how.

Eugénie,
Service Delivery Manager (User Support)
With NEURONES since 2013

After graduating from an engineering school in 2007, I started in a company that gave me my first Service Delivery Management missions. Six years later, I joined the group, as I wanted to evolve within a company with extensive expertise in service desk and proximity. Since joining, I have been entrusted, as a senior SDM, with the management of several outsourcing contracts.

“THE SPECIALIZED SUBSIDIARIES ALLOW US TO PROVIDE EXPERTISE AND COMPLEMENTARY SOLUTIONS THAT WE COULD NOT OFFER ON OUR OWN.”

My missions are exciting in several ways. The job profile is multi-faceted, ranging from team management and operational monitoring of contracts, to the implementation of innovations, including financial management and pre-sales. The other exciting aspect is the immersion in what constitutes the core business of the clients. We have to grasp all the components and aspects in order to understand their constraints and adapt the services as closely as possible. Being part of NEURONES gives value and scope to our word. The specialized subsidiaries enable us to provide expertise and complementary solutions.

At the end of 2020, I joined the Operations Department team dedicated to managing the outsourcing of a major French bank. There are four SDMs and more than 300 employees working for this large customer (150,000 users), which is very demanding in terms of innovation and large-scale transformation projects. It’s a great human adventure led by a dynamic and committed manager, who pulls the whole team up. And everyone is focused on a single goal: the satisfaction of the customer who trusts us.

Rouzbeh,
Director (BPM, ECM)
With NEURONES since 2011

At the end of a course in computer science applied to business management, I did an internship in document management in a bank. The founders of the Document Management entity (which became a subsidiary of the group in 2008) were interested in my profile and hired me as a developer. “Raised” within the company, I evolved professionally as it grew.

My first missions included development, management and project management. After an eighteen-month contract with a major client, I came back to the company to become Product Manager for a software publisher. My missions consisted in defining the contents of new versions of “products”, in collaboration with R&D, the Quality Assurance team, the sales team and the Process Services team. When the company entered into a partnership with a new editor, I was asked to create a dedicated Business Unit and to take care of its development. The evolution of partnerships continued. We then created a larger B.U., dedicated to Enterprise Content Management (ECM) and Business Process Management (BPM). I am now the co-director, with a role focused on partnership development and business development.

“THE GROUP’S POSITIONING, THROUGH ALL ITS ENTITIES, OPENS UP MANY OPPORTUNITIES.”

The group’s positioning, through all its entities, opens up many opportunities with corporate customers and these collaborations help a lot, upstream, on certain files. These fruitful synergies have supported development by playing a key role in accelerating growth!

UNIVERSAL REGISTRATION DOCUMENT AND 2021 FINANCIAL REPORT

1 Group Businesses

1.1. GENERAL PRESENTATION

Identity and background

With nearly 5,900 employees and revenues of €580 million for FY 2021, 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 (12/31/2021)*	2021 Worldwide Revenues
1	Capgemini	37,150	18,160
2	Alten	5,449	2,930
3	Atos	4,140	10,800
4	Sopra Steria	3,235	4,680
5	Akka Technologies	1,507	1,553
6	Wavestone	1,099	418**
7	SII	964	654**
8	NEURONES	921	580
9	Aubay	828	471
10	Econocom***	810	2,505

* including Technology Consulting companies (Alten, Akka, SII).
** 12 months at 31/03/2021.
*** listed in Brussels but generates more than half of its revenues in France.
Sources: company press releases and Euronext.

Created from scratch in 1985, the Group has experienced steady growth (averaging 7.4% per year over the last ten years).

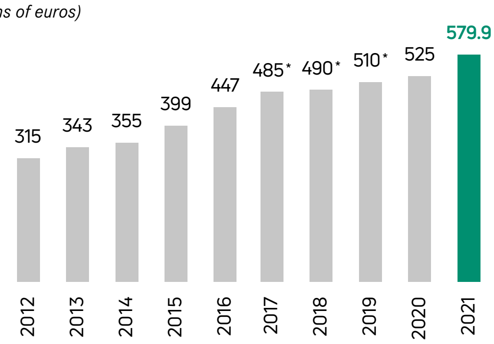
The Group was built by setting up and acquiring specialized subsidiaries, with unique technical know-how and using their own commercial brand. These companies' mission is to rapidly attain a significant size in their field so they can provide the best level of services at controlled fixed costs. A cross-functional 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 fifteen significant acquisitions, which now account for roughly a third of its business.

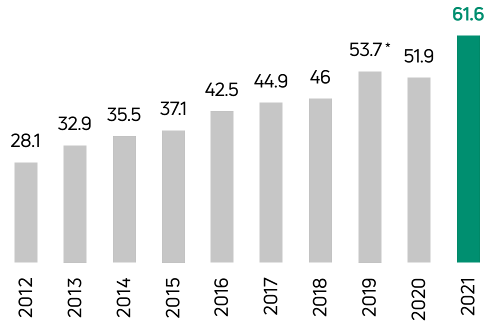
Key figures

Consolidated revenues
(in millions of euros)



* Changes in the scope of consolidation (€23 million of revenues sold).
The adoption of IFR15 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)*	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues	315.4	343.2	355.2	399.4	446.8	485	490.1	510.1	524.5	579.9
Operating profit	28.1	32.9	35.5	37.1	42.5	44.9	46	53.7	51.9	61.6
Operating margin	8.9%	9.6%	10%	9.3%	9.5%	9.3%	9.4%	10.5%	9.9%	10.6%
Net profit	17.2	21.4	23.6	24.5	29	31.6	29.6	35.2	35	42.9
Net margin	5.4%	6.2%	6.6%	6.1%	6.5%	6.5%	6%	6.9%	6.7%	7.4%
Net profit – Group share	14.9	18.6	20.5	21.3	25.2	27.3	26	30.8	30.9	37.7
Staff at year-end	3,704	4,065	4,082	4,580	5,044	5,028	5,160	5,372	5,589	5,869

Note:
- Created in 2013, the CICE has been transformed into a reduction in expenses in 2019, with no impact on operating profit but generating an additional tax charge of €1.5 million per year.
- Since 2018, IFRS15 has been applied (only the gross profit has been recognized in revenues for purchases/resales of hardware and market software). Its implementation resulted in a drop of about €10 million in revenues per year, with no impact on operating profit.
- Since 2019, IFRS16 (restating rental contracts as debt) has been applied. It has resulted in three years of improved operating profit (€0.3 million in 2019, €0.1 million in 2020, €0.2 million in 2021) and increased financial expenses (€0.8 million in 2019, €0.7 million in 2020, €0.7 million in 2021).
- The Corporate Tax rate alone has been steadily decreasing from 2016 (33.33%) to 2021 (26.5%). Recorded in Income Tax, the CVAE decreased significantly in 2021 (from €5.2 million to €3.1 million, a decrease of €2.1 million).

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, digital has become a major investment consideration for virtually all economic players.

The digital transformation brings together business projects that use digital technology to design or rethink their services, digitize the "client journey" (UX/UI, mobile applications, platforms, 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 close iterations to upgrade the successive versions of the same application, which quickly leads to:
- agile methods and the use of new development tools,
- the implementation of DevOps "chains so new versions can be released almost continuously,
- the widespread adoption of various forms of cloud computing and the automation of IT infrastructures.

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.

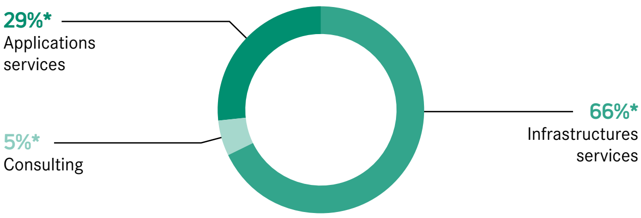
The digital transformation irrigates the majority of the Group's core businesses, even if it is a difficult challenge to precisely define the scope of these businesses, some of which have existed at NEURONES for some years. For example, typical digital applications include business process management 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. 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:



* 2021-related revenues.

In 2021, the relative share of the application services division is growing:

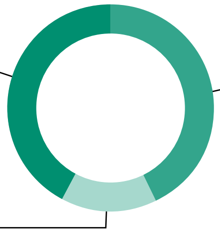
Breakdown by business segment *(in millions of euros)*	2017		2018		2019		2020		2021	
	Revenues	%	Revenues	%	Revenues	%	Revenues	%	Revenues	%
Infrastructure services	330.7	68%	335.8	69%	350.3	69%	358.5	69%	380.6	66%
Application Services	126.7	26%	129.6	26%	132.1	26%	137.7	26%	167.2	29%
Consulting	27.6	6%	24.7	5%	27.7	5%	28.3	5%	32.1	5%
TOTAL REVENUES	485	100%	490.1	100%	510.1	100%	524.5	100%	579.9	100%

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 reliable 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 and are formally or tacitly renewable. The average actual term is therefore often longer:

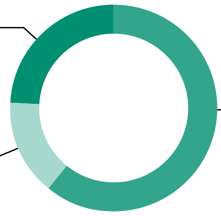
Technical assistance missions and certain projects lasting more than 12 months are considered recurring.

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 61% of the employees, while the portion of employees in other regions and outside France continues to grow regularly:



Breakdown of staff *(year end)*	2017		2018		2019		2020		2021	
	Staff	**%**	**Staff**	**%**	**Staff**	**%**	**Staff**	**%**	**Staff**	**%**
Greater Paris region	3,678	73%	3,599	70%	3,574	66.5%	3,587	64%	3,588	61%
Regions	900	18%	1,005	19%	1,125	21%	1,258	23%	1,381	24%
International	450	9%	556	11%	673	12.5%	744	13%	900	15%
TOTAL STAFF	5,028	100%	5,160	100%	5,372	100%	5,589	100%	5,869	100%

Outside France, at December 31, 2021, staff were distributed as follows: Tunisia (370 people), Romania (325 people), Italy (63 people), Germany (44 people), Singapore (38 people), Switzerland (22 people), Belgium (16 people), Ivory Coast (15 people), India (6 people) and USA (1 person). 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. 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	• Cloud, Infrastructure management, DevOps • Cybersecurity • User support • IT service management, Information System governance, automation
Application Services	• Digital, UX/UI, agile, DevOps, mobility, Data, IoT • SAP integration and outsourcing • Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes • IT consulting for the finance, big data, AI and Blockchain core businesses • IT training and working with change
Consulting	• Management and digital transformation consulting • Digital marketing consulting

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)	2020	2021	21/20
REVENUES	152.1	153.2	1%

The increase in cloud activities offsets the decrease in managed services on legacy infrastructures.

Background
Over the last few years, there has been spectacular growth in public cloud services (often provided by global giants: Microsoft Azure, Amazon Web Services) and private cloud services.

The group's business lines have therefore evolved in step with this expansion of infrastructure solutions. Today, there are many of them. So, in addition to their traditional architecture, which remains relevant for applications that have been in production for a long time, companies are increasingly relying on different forms of cloud (public, private, hybrid, multi-cloud, SaaS, etc.).

The use cases for the public cloud have become clearer:
- for their new developments ("cloud native"), large accounts take advantage of the functional richness (e.g. managed databases) of the services (from 50 to 100) made available by the major public cloud players,
- start-ups and some technology companies, without any IT background (and are therefore "digital natives"), naturally prefer the public cloud,
- Applications with peak loads (e-commerce, video streaming, etc.) are natural candidates for the public cloud,
- development or test machines, with their limited loads (non-critical workloads) are suitable for pay-per-use in the public cloud,
- an international presence is also a driver for the development of the use of global platforms with data centers on all continents,
- more generally, it is tempting for any company to free itself from the physical management of infrastructures in order to no longer own them (Capex to Opex) and with the prospect of reducing the size of the internal teams responsible for their management.

At the same time, corporate customers continue to automate their private clouds where the majority of their applications are located. Thus, in their latest generation private clouds (PaaS), they have access to services similar to those offered by the public cloud: largely automated resource allocation thanks to programming interfaces (API - Application Programming Interface) and/or implementation of an integrated software suite that administers, monitors, controls and automates their various infrastructures (CMP - Cloud Management Platform).

Moreover, relying on high-performance public or private cloud solutions, companies that are constantly carrying out new developments (banks, insurance companies, platforms, etc.) are increasingly using DevOps chains (integrated development environments, software factories, continuous deployment, infrastructure automation, containers, self-service, etc.).

Finally, software as a service (SaaS) applications from publishers are becoming increasingly popular, as they transfer infrastructure management and security to them.

Group services
They have evolved with the expansion of infrastructure services.

i) Public cloud
Assistance with migration to the public cloud is an important area of activity. It includes different steps:
- detailed analysis of the application assets (and the possible eligibility of each application for the planned move). This long phase is essential: a transfer of virtual machines in their initial state would result in an additional expense, without benefiting from the future context; often, at this stage, old applications are removed and rewritten;
- preparation of the "landing area", i.e. the new public environment that will host the transferred programs.

Once the migration has been completed, it remains to assist customers in controlling the billing applied to them by public cloud providers (Finops). And, of course, to provide recurring managed services, even if the volume is much lower than in private clouds.

ii) Private cloud
The automation of private clouds also represents a significant part of the activity, with the following missions:
- automated deployments (Ansible, Terraform), APIs, Cloud Management Platforms,
- self-service (Python development, Go), • design of virtual architectures with automatic and software-based allocation of datacenter resources (SDDC, SDN, SDS),
- integration of container-based solutions (Docker, Kubernetes).

In addition, the group provides its own private clouds (total of about 13,000 virtual servers) which means:
- for customers: by an "all-inclusive" rent (hosting, use of servers and services);
- for the group: by renting space from a dozen hosting specialists (data centers), acquiring servers and other equipment, implementing and managing virtual servers, optimizing productivity (using its proprietary platform management tool, for example) and securing them. In this respect, through its "SecNumCloud" label, granted to less than half a dozen service providers, the French National Agency for Information Systems Security (ANSII) has awarded its "sovereign cloud" qualification, which is particularly valuable for some of the group's public sector customers.

Of course, third-party hosts, who provide their own space and related safety equipment (access, electrical, fire, etc.) do not have access to the spaces (private cages) rented by the group.

iii) Specialized services
In addition to the above offers, on site or remotely, the group covers all the profiles required for IT operations and production: pilots, operations analysts (support, piloting, preparation), production engineers, systems engineers, production project managers as well as datacenter architects and PMO (Project Management Office) profiles. These specialists master Unix and Windows, the market's schedulers, supervision tools and backup tools. Good integration of the applications in operation (fine-tuning of processes and controls, documentation) and efficiency in change management remain the main key factors of success.

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)	2020	2021	21/20
REVENUES	19.8	21.8	+10%

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.

Qualified as an Information Systems Security Audit Service Provider (PASSI) by the ANSSI (Security Incident Response Service Provider - PRIS - label planned for mid-2022), the group's cybersecurity activity provides complementary missions:
- assessment: audits and intrusion testing,
- consulting: providing overall security support, defining policies, building awareness, compliance
- implementing solutions, EDR (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 2021, the Information Systems Recovery Teams following an attack (CERT) intervened in around 50 claims.

Businesses linked to digital transformation:
- all business activities set out above.

User support

(in millions of euros)	2020	2021	21/20
REVENUES	163	179.5	+10%

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

The following services are available to them:
- service desk,
- applications support and functional assistance,
- local support,
- digital workplace engineering,
- workstation logistics and deployment,
- support for the transformation of business processes.

The expertise deployed allows us to provide precise assistance to all users, regardless of their business or function. 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 performed in nine interconnected service centers and half on client sites. They are aimed at users in about 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, call back, 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. A demonstration center for the various innovations available for the "employee experience" is available to customers and prospects. These include:
- myConnectedAssistant: specific support for members of executive committees & top management,
- iXpert: specialized service for the entire Apple® ecosystem,
- myConnectedLounge®: the first digital space (in less than two square meters), patented multiservice,
- myConnectedSatisfaction: real time management of user satisfaction.

In order to increase its capacity to resolve technical uncertainties and support clients during the transformation of the digital workplace and 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)	2020	2021	21/20
REVENUES	23.6	26.1	+11%

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

The interventions carried out are of several natures:
- 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.

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

- 11 hosting centers: reserved space at 5 “Tier 3+” level third-party hosting partners in 11 different data centers,
- 7 remote operation centers for servers and applications: Nanterre, Courbevoie, Lyon, Tours, Bangalore, Singapore and Tunis,
- 9 user support centers: Nanterre, Angers, Frankfurt, Lille, Lyon, Milan, 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)	2020	2021	21/20
REVENUES	15.6	28.1	80%

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 latest generation development tools, the group operates in the following areas of expertise:
- web and mobile application design (innovation, UX/UI offer, etc.),
- web project management: Product Owners, Scrum Masters,
- application architecture
- application development (Java, .net, PHP Symfony, Drupal, etc.),
- front end and fullstack development (Node, React, Angular, etc.),
- use of DeVops chains (Integrated Development Environments (IDE), software factories, continuous deployment, containers, etc.),
- infrastructure automation (Ansible, Terraform) and self-service (Python, Ruby, NertJS, Go),
- Third-Party Application Maintenance (TPAM)
- website data analysis: performance measurement (tag management, behavioral data analysis, A/B testing methods, etc.), data analysis, data science.

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.

Activities related to connected objects (IoT), data, 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)	2020	2021	21/20
REVENUES	46.8	53.5	14%

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,
- administration and operation using the BC (Basis Components) module,
- support and TMA (which can also be integrated into more global Managed Services 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,
- implementation of user interfaces (Fiori type), porting of SAP screens to mobiles and tablets,
- expertise for the 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)	2020	2021	21/20
REVENUES	34	36.8	+ 8%

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)	2020	2021	21/20
REVENUES	32.2	39.5	23%

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 its expertise in project management assistance, architecture and project management for information systems projects related to the various financial businesses:

- 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 widely used 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)	2020	2021	21/20
REVENUES	9.1	9.3	2%

This trade includes:

- consulting on the organization of training plans (engineering, management of training plans and courses, communication plans),
- course production: traditional sessions, e-learning, Mooc, quick-learning, long courses including “reskilling", retraining actions including Operational Preparation for Employment (POE), Professional Qualification Certification (CQP), monitoring of applications the Personal Training Account (PTA), etc.,
- the design and animation of “IT stores” or “IT counters” on customer sites,
- Support and assistance during office automation, business applications or ERP deployments.

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.

Favored by the pandemic period, distance learning offers have developed rapidly and seem to have become part of the routine.

Service centers of the applications segment

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

Consulting Segment

Consulting in management and digital transformation, digital marketing and HR transformation

(in millions of euros)	2020	2021	21/20
REVENUES	28.3	32.1	+ 13%

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:

- evaluation 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.

With interventions of type framing or operational, the digital marketing consulting 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: Maxymizer, Optimzly, etc.),
- omni-channel models of attribution: modeling cross-channel client journeys to orient media expenditures online based on the visitor’s known profile and the tactics decided for all channels,
- omni-channel management (Abode Campaign and Next Best Action tools),
- implementation of connected points of sale.

A firm specializing in HR transformation (€2.8 million in revenue in 2021) joined the Consulting segment at the end of the year.

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.

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)*	2017		2018		2019		2020		2021	
	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev
Infrastructure services	27.1	8.2%	29.5	8.8%	33.9	9.7%	35	9.8%	40.4	10.6%
Application Services	14.1	11.1%	13.3	10.3%	16.2	12.3%*	13.5	9.8%	17.3	10.4%
Consulting	3.7	13.3%	3.2	12.8%	3.6	13.1%	3.4	12%	3.9	12.1%
TOTAL	44.9	9.3%	46	9.4%	53.7	10.5%	51.9	9.9%	61.6	10.6%

* 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, are based 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:
AWS Partner Select – Cisco Select Partner – Citrix Partner – Centreon Gold Partner – Datadog – Dynatrace – F5 – Fortinet Gold Partner – IBM Managed Service Provider – IPlabel Gold Partner – Ivanti – Juniper – Microsoft Gold (Application Development, Cloud Platform, Cloud Productivity, Data Analytics, Datacenter) – Microsoft Silver (Application Integration, Collaboration and Content, DevOps, Security, Small and Midmarket Cloud Solutions) – NetApp – Nutanix – OVH Partner – RedHat Premier Partner – Rubrik – Signal FX Managed Services Partner – Stormshield Silver Partner – VMware Cloud Service Provider – Zerto – Zimbra Gold Partner.

Cybersecurity:
CrowdStrike – DomainTool – Egerie – HarfangLab – Kaspersky – Palo Alto – Qualys – Rapid7 – RiskIQ – Sekoia.io – SentinelOne – Splunk –Tenable.ad – Varonis – Vectra – VirusTotal.

User support:
Arp – AWS – Bechtle Comsoft – Be Cloud – Caphyon – CrowdStrike – Dell – Druva – F5 – Genesys – Google – Igel – Jamf & Parallels – Knox – Lenovo – Lineberty – Lookout – Microsoft – Mozzaïk – Nexthink – Paessler – Proofpoint – Qlik – Qwesto – Rapid7 – Samsung – Signifi – Tanium – Vade.

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) – ServiceNow Premier Partner.

Digital, UX/UI, agile, DevOps, mobility, Data, IoT:
Apperian – Lookout – Okta – Polestar – Visioglobe – AirWatch (VMware).

SAP integration and outsourcing:
OpenCell – SAP 10Steps2S4 – SAP Gold Partner – SAP Partner Center Of Expertise.

Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes:
Abbyy – Appian – ARender – Automation Anywhere – Blueprism UniverSign – BonitaSoft Open Solutions – Boomi – Box – Camunda – Confluent –Denodo – Docaposte Arkhineo – Docusign – ECM Captiva Partner – Ephesoft Partner – Expert.ai – Fast2 ETL – FlowerDocs – Hyland Alfresco Strategic & Technology Partner – Hyperscience – IBM – Kofax Platinum Partner – Readsoft – SER Solutions – Sinequa – Solace – Tibco – UiPath.

IT consulting for finance, big data, AI and Blockchain:
Amazon Web Services – Cloudera – Confluent – Dataïku – Docker – HortonWorks – Snowflake.

IT training and change management:
AutoDesk Training Center – AWS – Cisco – Citrix – Clusif – Datadock – DevOps Institute Registered Education Partner – EXIN – Microsoft Learning Gold – PECB Platinum – PeopleCert – 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, 80% of NEURONES' client base (i.e. 32 out of 40 clients) are CAC 40 groups.

In 2021, the top 20 clients were (in alphabetical order): Adéo, Accor, Axa, Banque de France, BNP Paribas, Bolloré, Bouygues, BPCE, Conseil Départemental des Hauts-de-Seine, Crédit Agricole, EDF, Engie, Euronext, Groupe Avril, Kering, LVMH, Saint-Gobain, SNCF, Société Générale, Thales.

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

Breakdown of revenues *(in millions of euros)*	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Top 20 clients										
• In value	174	198.7	211.4	225.6	260.5	285.7	294.8	293	293.3	326.3
• As % of consolidated revenues	55.2%	57.9%	59.5%	56.5%	58.3%	58.9%	60.1%	57.4%	55.9%	56.3%
Top 10 clients										
• In value	129.1	147.6	161.8	175	206.4	224.1	235.7	237.6	239	263.2
• As % of consolidated revenues	40.9%	43.0%	45.6%	43.8%	46.2%	46.2%	48.1%	46.6%	45.6%	45.4%
Top 5 clients										
• In value	89.3	102.3	116.6	127.2	146.1	161	169.8	169.3	178.7	200.5
• As % of consolidated revenues	28.3%	29.8%	32.8%	31.8%	32.7%	33.2%	34.6%	33.2%	34.1%	34.6%
No.1 client's share										
• In value	30.6	31.9	34.4	37.6	42	40.7	48	47.4	45.3	54
• As % of consolidated revenues	9.7%	9.3%	9.7%	9.4%	9.4%	8.4%	9.8%	9.3%	8.6%	9.3%

As of December 31, 2021, accounts receivable were stable at 82 days, after two years of decline. It was also noted that, over the past two years, and probably as a result of lower interest rates on surplus cash, some customers had voluntarily reduced their payment terms:

	2017	2018	2019	2020	2021
Trade receivables	94 d	98 d	89 d	82 d	82 d
of which unbilled revenue	19 d	22 d	15 d	12 d	14 d

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

Subcontracting

Upstream subcontracting

A small portion of the revenues (roughly 2.6% in 2021) was generated by acting as a subcontractor for a manufacturer, vendor or fellow company.

Downstream subcontracting

Subcontracting covers a variety of realities: regular or one-off operations with independent contractors (52%) or colleagues (22%), facilities management packages (15%) such as the management of international workstations, technical services (11%) such as the rental of network links, dry hosting.

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:

2017	2018	2019	2020	2021
20.7%	22%	23.1%	24.3%	25.1%

The subcontracting rate exceeds 40% in training activities and 30% in three entities with a high proportion of technical assistance. It is only 12% in user support services.

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)*	2021	%
IT consulting and services	30.2	53%
Technology consulting	6.8	12%
Software publishing and Cloud platforms	19.3	35%
TOTAL	56.3	100%

Source: Numeum.

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 economic forecasters, the French consulting and IT services market (in the strict sense of the term) has rebounded by +4.4% more than expected:

Change in the French market	2017	2018	2019	2020	2021(e)	2022(e)
IT consulting and services	+ 3.2%	+ 3.3%	+ 3.1%	- 4.2%	+ 4.4%	+ 4.7%
Technology consulting	+ 5%	+ 5.5%	+ 5%	- 12.3%	+5.9%	+ 6.9%
Software publishing and Cloud platforms	+ 5.2%	+ 5.3%	+ 6.6%	+ 0.3%	+ 9.5%	+ 10.9%
WEIGHTED AVERAGE	+ 3.9%	+ 4.1%	+ 4.2%	- 4.6%	+ 6.3%	+ 7.1%

Source: Numeum - December 2021.

Overall, the sector's growth is supported by projects related to digital transformation. Improving the security of information systems is the number one concern of IT departments, followed by improving the customer experience. Migration to the cloud, always an important concern, is becoming less of a priority.

The talent shortage is being felt strongly. Training is seen as a priority to counter the rapid obsolescence of technical skills and to respond to the rapid evolution of the sector's professions.

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 11th among Consulting and Digital Services companies (excluding technology consulting companies: Alten, Assystem, SII, etc.) in a very fragmented French market for services (the number of fellow companies employing more than 10 people is estimated at around 4,000):

	Revenues of main digital services companies in France	French market share (approximate share)	Nationality
1	Capgemini	9%	France
2	Sopra Steria	5.3%	France
3	IBM	4.6%	United States
4	Orange Business Services	4.5%	France
5	Atos	4.3%	France
6	Accenture	4.3%	United States
7	CGI	3.1%	Canada
8	Inetum (formerly GFI)	2.2%	Qatar
9	DXC	2%	United States
10	Econocom	1.6%	Belgium
11	NEURONES	1.6%	France
	Top 11 total	42.5%	

Sources: 2020 sales figures in France according to PAC in July 2021 (2021 sales figures not available at the time of writing).

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 very fragmented between the departments of certain large service providers and numerous dedicated companies of varying size.

Most of the historical players in the private cloud have formed dedicated teams to support them in 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 many IT specialists are often 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:

2017	2018	2019	2020	2021
88.9%	89%	88.8%	88%	88.2%

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 with 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 that 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 (24% of staff in regions outside of Paris and 15% 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 been conducting a cross-functional review of its R&D activities. In 2021, the eligible research programs generated Research Tax Credits (RTC) of €1.3 million:

(in € millions)	2017	2018	2019	2020	2021
Research Tax Credit	1.6	1	0.8	0.8	1.3

Net industrial investments

In 2021, "industrial" investments amounted to €6.4 million. 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 (35,600 m2 at December 31, 2021) from outside owners who have no connection to NEURONES shareholders or its subsidiaries.

Net financial investments

In 2021, net financial investments amounted to €5.6 million for a consulting acquisition (after deduction of cash acquired) and various purchases of shares in subsidiaries.

1.7. CHANGES SINCE THE GROUP WAS LISTED

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 €88.6 million at December 31, 2021 (net of the acquired companies' cash and cash equivalents). These investments have so far been largely financed by free cash flow (€384.3 million) generated by operations over the same period.

Cash flow statement *(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	2021	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	42.9	395.4
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	10.6	108.5
CASH FLOW	4.8	6.7	7.8	6.8	6.6	7.4	9.6	13.2	16.1	16.9	18.8	19.8	23.1	28.1	29.7	31.6	37.1	41.2	38.3	40.6	46.2	53.5	503.9
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	4.7	(24.6)
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)	(6.4)	(95)
FREE CASH FLOW	2.4	8.0	5.2	7.0	6.5	4.6	2.1	12.7	14.4	13.4	12.7	5.1	16.2	16.4	25.0	18.7	16.8	17.3	25.8	47	55.2	51.8	384.3
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)	(5.6)	(88.6)
Net capital increases, 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)	1.6	52.1
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)	(49.2)	(85.9)
CHANGE IN CASH AND CASH EQUIVALENTS	+23.4	+7.8	+1.4	+4.9	+5.9	+3.2	(2.0)	+8.9	(4.1)	+7.2	+8.6	+6.7	+12.7	+13.1	+22.1	+8.1	+9.8	+13.2	+20.5	+43.8	+48.1	(1.4)	+261.9
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	265.1	-

1.8. RECENT DEVELOPMENTS

Organic growth is accelerating (Q1: +5.7%, Q3: +6.6%, Q4: +7.9%). The larger increase (+21.8%) in the second quarter was due to a base effect, as the second quarter of 2020 was down 4.9% due to the first lockdown (March 17 to May 10, 2020):

(in millions of euros)	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021
Revenues	135.3	119.1	128.4	141.7	524.5	144.2	145.1	137.7	152.9	579.9
Growth	+5.1%	-4.9%	+5.5%	+5.3%	+2.8%	+ 6.6%	+ 21.8%	+7.3%	+ 7.9%	+ 10 .6%
Organic growth	+5.4%	-4.9%	+4.9%	+4.6%	+2.6%	+ 5.7%	+ 20.7%	+ 6.6%	+7.9%	+ 10.1%
Operating profit	9.3%	8.1%	11.7%	10.5%	9.9%	10.4%	11.2%	10.5%	10.4%	10.6%

In 2021, telecommuting was favored whenever possible, in accordance with the authorities' request and the health protocols in companies. It remained in the majority throughout the year and was maintained at an even higher level among customers.

There is virtually no longer any recourse to short-time working (0.2% of the workforce in December 2021, in full-time equivalents). This concerned 1.5% of the workforce on average in 2021 (after 3.5% of the workforce in the second half of 2020).

1.9. OUTLOOK

2022 forecasts

During its March 10, 2022 presentation to financial managers and analysts, NEURONES specified that the group:
- noted the existence of embedded growth of about 4%,
- noted that the market was buoyant with many opportunities,
- stated that recruitment was difficult, especially for certain types of profiles,
- anticipated a further increase in subcontracting.

Factors potentially affecting the market and the Company in 2022 (excluding the impact of geopolitical or health crises) were also reported.

Favorable factors:
- 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 businesses are spread across specialized, mobile, cost-controlled entities in diversified sectors.

Unfavorable factors:
- tensions on recruitment, return of turnover,
- steady increase in subcontracting,
- Lack of economies of scale in Consulting and Digital Services,
- few quality "targets" that create value and have a system of succession management.

It was also stated that NEURONES' estimates for 2022 will be announced, as usual, when it posts its 1st quarter revenues (May 11, 2022).

Provisional calendar of financial events

Shareholders' Meeting:
- Thursday, June 2, 2022

Revenue announcements*:
- Wednesday May 11, 2022 (1st quarter 2022),
- Wednesday, August 3, 2022 (1st half 2022),
- Wednesday November 9, 2021 (3rd quarter 2022),

Profit announcements*:
- Wednesday September 7, 2022 (1st half 2022),

* at the close of trading.

2 Statement of Non-financial Performance (CSER 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 on the following subjects: Agile methods (Product Owners, Scrum Masters), DevOps in general (including tooling), cloud in all its forms, big data and analytics, infrastructure automation, mobile applications, UX/UI design, cybersecurity, connected objects (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.

Details of the various business lines are described in section "1.3 Business lines" of this Universal Registration Document.

NEURONES' business model can be diagrammed as follows:

Resources

Human capital
- 5,900 employees in 11 countries
- 8,000 days of training in 2021
- 200 senior executives and managers
- Subcontractors of which independent: 1,400 full-time equivalent employees

Line of services capital
- Strong presence in digital solutions (cloud, data, digital projects, cybersecurity, etc.)
- Equilibrium between recurrent services with commitments (43%), projects (15%) and stand-alone or pooled technical support (42%)
- Balanced distribution between highly specialized niche offerings and generalist services

Organizational capital
- Service Centers
- Managed services contract management teams
- Pre-sales, internal audit teams, GDPR, Quality

Financial capital
- Shareholders' equity at the end of 2021: €353m
- Net cash and cash equivalents at the end of 2021: €265m
- Overwhelmingly majority managerial shareholding

Strategy

- Build employee loyalty and increase attractiveness to candidates (turnover slows growth, dilutes corporate culture and erodes efficiency)
- Work with new shareholder entrepreneurs who, if possible, join the Group with their company
- Continue to invest in new innovative services and emerging technologies through acquisitions or spin-offs
- Maintain a diversified portfolio of services to withstand cyclical ups and downs
- Expand by extending geographical coverage
- Acquire increasing credibility on projects of increasing size

Value creation

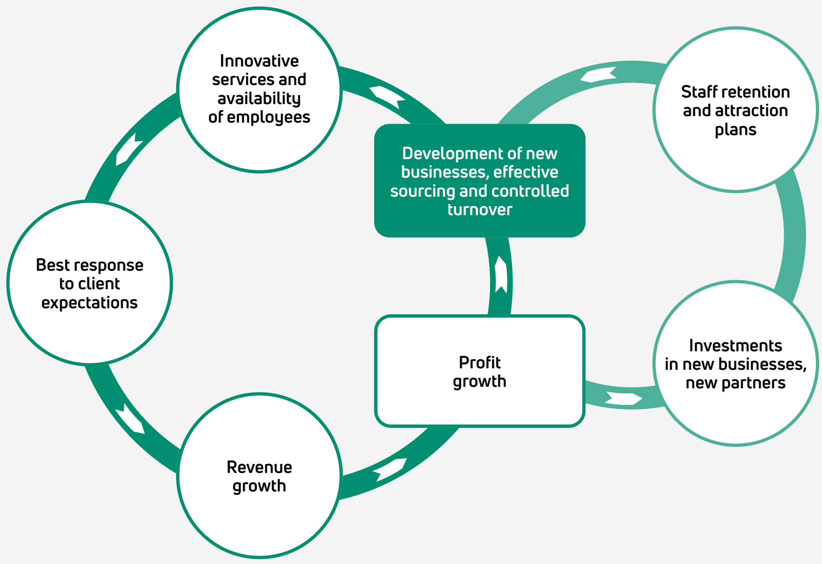
Human capital
- Net creation of over 280 jobs in 2021 (excluding changes in the scope of consolidation)
- Numerous awards: "Great Place to Work, Happy at Work, Best Employer"
- History of directors and managers with stakes in the share capital

Line of services capital
- Public and hybrid cloud offerings, AI, blockchain
- Minority interest in a Big Data startup in finance

Organizational capital
- €6.4 million of capital expenditures (Capex) in 2021 for private clouds and service centers

Financial capital
- Operating profit: 10.6% of revenues
- 78% of results placed in reserves (10-year average)

NEURONES' value creation model can be illustrated as follows:



2.2. KEY CSER 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). This document is reviewed annually by the Board of Directors. No new CSR risks emerged during the December 2021 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 CSER 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,
- promotion of the practice of physical activities and sports,
- fight against food waste and food insecurity.

2.3. CSR STRATEGY

Governance

A Sustainable Development Committee leads the Group's CSR initiative. This eight-member committee reports to the Chief Financial Officer 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 2021 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 Middlenext, 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.

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

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

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

2021: responsible purchasing: framework agreement with Provigis, a platform managing subcontracting purchases, partnership with the GESAT network (2,250 EA and ESAT). Responsible digital solutions: first energy efficiency measurements of applications and websites.

Objectives

NEURONES' CSR objectives are as follows:
- increase the attractiveness of the group and build loyalty by:
  - maintaining employability (interest in missions, continuous training, bridges, etc.),
  - ensuring good HR practices (equal opportunities for all candidates, promotion of diversity and inclusion, gender equality, employee relations, prevention of corruption, retention of key managers and executives, partnerships with civil society actors),
  - initiatives aimed at responding to consultants' "quest for meaning" (skills sponsorship, the group's consulting firm that has become a company with a mission and is B Corp certified, etc.),
- promote the integration of disabled people, in particular on client contracts (in association with companies in the adapted sector), in retraining or far from employment,
- share with significant subcontractors the group's CSR concerns and evaluate them,
- develop CSR missions for clients as well as CSR commercial offers,
- implement an action plan to regularly reduce the group's carbon footprint (carbon footprint, reduction of travel costs, choice of energy-efficient buildings and data centers, digital sobriety, etc.), particularly for the part that impacts customers (carbon footprint per customer project).

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 60%:

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
3,704	4,065	4,082	4,580	5,044	5,028	5,160	5,372	5,589	5,869

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 61%, regions 23.5% and international 15.5%. The employee relations data below are calculated on the basis of the total group perimeter, unless it is specified that it is a more limited 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:

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1,240	1,248	1,142	1,647	1,695	1,857	2,012	1,904	1,612	1,999

KPI

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 2021, 190 young people were doing an apprenticeship and 90 were working under a professionalization contract. In the course of 2021, we received 142 people doing internships.

Turnover

In 2021, employee turnover (number of resignations in the year compared to the average workforce for the year) was 16%, rising rapidly quarter after quarter: 11%, 14%, 18%, and 20.5%. Tensions are especially high in highly sought-after profiles, for example in cybersecurity, cloud, and DeVops.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
14%	11%	13%	13%	13%	17%	20%	16%	11%	16%

KPI

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 8,000 trainee days,
- relocation of some entities to more easily accessible locations and buildings with services (sports halls, concierge services, etc.),
- creation of "lounges", rest rooms, modernized reception areas 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.
- gradual resumption of employee events: afterwork events, running, sea outings on the Multi 50 trimaran, inter-entity futsal tournament, etc.
- fewer levels of authority, favoring initiatives and accountability,
- attempts to satisfy young graduates' "need for meaning:" higher environmental requirements and skills sponsorships.

It should be noted that 61% of the Group's employees work in the Paris region, where turnover is traditionally higher than in other French regions.

The change in arrivals/departures is as follows:

Detailed figures concerning staffing	2017	2018	2019	2020	2021
New hires	1,857	2,012	1,904	1,612	1,999
Changes in scope					
Acquisitions	14	-	-	44	9
Disposals	185	13	32	-	13
Departures:					
Resignations	867	1,050	837	614	913
End of trial periods	298	321	257	285	266
End of fixed-term, apprenticeship and prof. contracts	243	231	234	261	246
Mutual-agreement terminations	150	133	155	100	77
Layoffs	128	114	143	157	172
Miscellaneous	16	18	34	22	41
Total departures	**1,702**	**1,867**	**1,660**	**1,439**	**1,715**
NET CHANGE IN THE WORKFORCE	-16	132	212	217	280

Working hours

More than 98.7% of the workforce in France work full time. Most part-timers are 4/5ths. 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. Beyond the end of the first lockdown (May 10), it remained in the majority until the end of 2021 and preferred 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 1.5% of the workforce (in full-time equivalents) on average, compared with 5.2% in 2020. It has become insignificant (0.2% of the workforce in December 2021).

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 2021, total gross compensation rose by 5.2% to €226.5 million (€215.4 million in 2020), 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 5,722 in 2021 (5,451 in 2020), the average workforce is up 5%. The average gross salary came to €39,600 per year (€39,500 in 2020), up 0.3%.

Continuous in-house training

Training actions are decided by each subsidiary. They primarily concern advanced technical training, but also management and language training courses.

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.

In 2021, in the context of significant telecommuting, the training plan has been maintained at a level of 8,000 trainee days thanks to a significant proportion of distance learning.

Training plan (days x participants):

2017	2018	2019	2020	2021
9,100	10,800	9,900	8,400	8,000

KPI

Training eligible for continuing vocational training in France and similar actions carried out internationally. Online training not included. 56,000 hours in 2021 (i.e., 8,000 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, fourteen subsidiaries have launched additional bonus share plans involving their own shares. At the end of 2021, 200 employees or company officers (3.4% of the workforce) were shareholders either of their subsidiary or of NEURONES, or of both.

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

2017	2018	2019	2020	2021
2,000	1,236	1,176	2,008	2,575

KPI

NEURONES and subsidiary plans Including 20% tax on bonus share 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 2021, the average age of employees is stable at 36.1 years with the following breakdown:

Workforce breakdown by age bracket	2017	2018	2019	2020	2021
less than 25 years	8.5%	10%	9.5%	9%	9.5%
25 to 29 years	20.5%	20%	21%	21%	21%
30 to 34 years	21%	20%	21%	19.5%	19.5%
35 to 39 years	19%	18%	16%	16%	15.5%
40 to 44 years	14.5%	14%	13%	14%	13.5%
45 to 49 years	9%	10%	10.5%	10%	10%
50+ years	7.5%	8%	9%	10.5%	11%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
AVERAGE AGE	36	35.7	35.7	36.1	36.1

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 2021, the proportion of people aged 50 will have increased regularly and now represents 11% of the workforce.

Diversity and inclusion

NEURONES is keen to promote diversity in its teams in the broadest possible sense (gender, age, initial training and previous professional experience, disability, social and cultural origins, nationalities, etc.), as this is a guarantee of creativity and innovation. Four Group entities have signed the Diversity Charter. The group also strives to create a caring environment so that everyone feels valued and included.

Retraining

Various entities organize training courses open to people wishing to retrain in the digital sector, particularly within the framework of the Individual Operational Preparation for Employment (POEI) or Collective (POEC). These approaches make it possible to integrate more diverse profiles, initial training and professional backgrounds into the group.

Persons not in employment

The entity dedicated to supporting users has integrated into its recruitment procedures various measures aimed at guaranteeing equal opportunities for all applicants (Saphir method). The application of this method contributes to the fight against discrimination and should make it possible to integrate more people who are far from employment into the teams.

Disability

The group is striving to be more “disabled-friendly". By the end of 2021, it will have 2% disabled employees (1.44% by the end of 2020) 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, Innov and Co, ATF Gaïa, etc.) were set up for recurrent managed services contracts. At the end of 2021, they will enable us to call on ten 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 2021.

Gender equality

Although women are not well represented in engineering schools’ IT courses, they make up 21.1% 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):

Calculation date March 1, 2022	2021 index
No. of entities	11
Highest index	95
Average index	84
No. of entities with index <75	1, 73

The entity, whose index is 73, should be well above 75 by 2022.

At the end of 2021, the proportion of women in senior management will be 21.5% (executives and managers at levels n-1 and n-2 in relation to the Group’s General Management). The proportion of women in the top 100 earners in 2021 is 15%.

In the Consulting segment, there is overall gender equality, in terms of staffing and remuneration.

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

Nationalities

Concerning the staff in France, 10.5% of employees are non-French nationals, representing 65 different nationalities:

	2017	2018	2019	2020	2021
% foreigners	9.3%	9%	9.9%	10.2%	10.5%
Number of nationalities represented	63	61	67	66	65

Sage” scope.

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, as well as the implementation of the sustainable mobility package (FMD).

Company-wide agreements

The service desk entity has specific complementary agreements in place. Employees who donate blood are entitled to two half-days of paid leave per year. 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 (38 employees at the end of 2021), 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	2017	2018	2019	2020	2021
Absenteeism rate* KPI	4.3%	4.7%	5.2%	5.9%	5.8%
Number of accidents at work resulting in lost time (one day or more)	39	56	62	36	29
Corresponding number of lost days	811	1,353	735	1,009	906
Lost-time injury frequency rate (number of occupational lost-time accidents per million hours worked)	7.2	8.9	9.5	5.3	4.2
Lost-time injury severity rate (number of days of paid sick leave per thousand hours worked)	0.15	0.21	0.11	0.15	0.13

* 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.

2.5. ETHICS AND COMPLIANCE

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.

2.6. 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.

Subcontractors and suppliers

In 2021, purchases of subcontracted services amounted to €145.7 million, or 25.1% 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, Esigetel, Esilv, Ingesup, InTechInfo, Isep, Itic, Mines d'Alès, Mines de Paris, Supinfo, Telecom Paritech and Utc Compiègne.

"Great Place to Work", "Happy at Work", "Best high tech employer"

In 2021, four companies were awarded the "Happy at Work" or "Best High Tech Employer" labels.

One company in the group has been awarded the "Great Place to Work" label seven times ("a great place to work is a place where you trust your leaders, take pride in your work and appreciate your colleagues" - Robert Levering, co-founder of "Great Place to Work"). She was also included in the "Great Place to Work for Women" list.

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 of euros)*	2017	2018	2019	2020	2021
Budget devoted to partnerships and sponsorships	72	158	270	233	348

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 a company with a purpose (500 certified companies in France by the end of 2021), a possibility opened up by the Pact law. In its by-laws, it has declared its purpose through several social and environmental objectives. In 2021, it established a purpose committee composed of internal and external members.

In addition, in 2021, it has also obtained the "B Corp" (Benefit Corporation) certification distinguishing companies that reconcile profit and collective interest (150 companies certified in France by the end of 2021).

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 General (European) Data Protection Regulation (GDPR) is applied. It also concerns customer (CRM) and employee data.

EcoVadis score

EcoVadis helps purchasing departments to evaluate the sustainability performance of their suppliers. At the request of several of its clients, NEURONES answers its questionnaires annually.

Gaia index

Gaïa evaluates listed groups on ESG criteria (Environment, Social and Governance) for financial managers and analysts. NEURONES regularly answers its questionnaires.

2.7. 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

Since 2019, the group has published its carbon footprint on the ADEME (French Environment and Energy Management Agency) website, which shows the following proportions for each type of emission:

Scope*	Emission types	2019	2020	2021
1	Group-owned gasoline vehicles	6%	6%	6%
2	Electricity for premises excluding data centers	8%	12%	10%
2	Electricity in data centers	9%	15%	14%
3	Power for employees	25%	38%	34%
3	Internal IT (including paper)	3%	4%	4%
3	Internet, Cloud services, SaaS	4%	6%	6%
3	Outgoing mail	n.s.	n.s.	n.s.
3	Business travel (mileage allowance, plane, train, cab)	3%	3%	3%
3	Commuting to work (car, public transport)	42%	16%	23%
3	Waste	n.s.	n.s.	n.s.
	TOTAL	100%	100%	100%
	Total metric tons CO_2 equivalent	8,708	5,958	6,922
	metric tons CO_2 equivalent per employee	1.61	1.09	1.18

* 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 and 2021, some emissions have decreased 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_2 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 CO_2 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_2 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_2 per km have been preferred,
- set up a carpooling system (Angers and Lille service centers),
- encouraged and facilitated the various videoconferencing systems.

(metric tons CO_2 equivalent)	2017	2018	2019	2020	2021
Emissions for commuter journeys by car or motorbike	3,395	3,471	3,163	922	1,580
Metro					28
Emissions from NEURONES' vehicle fleet	478	470	516	376	448
Emissions for work travel by car and motorcycle reimbursed on expense accounts	245	220	206	117	94
Airplane					88
Train					2
Cabs					2

Scope: France. The rate of employees in Ile-de-France using public transport has not been re-evaluated in 2019.
Emissions from metro, air, train and cab were estimated for the first time in 2021.

Like 2020, 2021 will have been an atypical year. It was found that in fiscal year 2021, 60% of employees were telecommuting or on short-time work.

The downward trend in commuting emissions is due to a decrease of about 10% (in four and a half years) in the use of cars and motorcycles in favor of public transportation. 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 10 pairs (20 people). Furthermore, a bonus was paid to some 40 employees who commute to work by bicycle. This bonus will be integrated into the future more comprehensive sustainable mobility bonus.

To assess the consumption corresponding to the home-workplace commute, the most recent internal survey (January 2020, France, 1,350 respondents, i.e. 30% of the French workforce) on the modes of transport used provided 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%
TOTAL	100%	100%	100%

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 245 vehicles in NEURONES' fleet was calculated based on an average consumption per vehicle of 6 liters/100 km and 12,000 km traveled in 2021. 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 2021, 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_2 emitting diet

Food is the second largest source of CO_2 emissions. Raising employees' awareness to adopt a diet that emits less CO_2, 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 LED lighting, individually-adjustable energy-efficient air conditioning, presence detectors, etc.

Indicators	2017	2018	2019	2020	2021
Electricity consumption per m² and per year (excluding data centers) *(in kWh/m²)*	124	N/A	N/A	N/A	N/A
Surface used *(in m²)*	31,100	33,200	34,900	36,050	36,100
CO_2 emissions *(metric tons CO_2 equivalent)*	522	557	585	708	666

The electricity consumption per m² is estimated since 2018 at 130 kWh/m². Use of the ADEME emission factors.
In France, a MWh corresponds to 82 kg of CO_2. In Tunisia, at 463 kg of CO_2. In Romania, at 413 kg of CO_2. In Singapore, at 499 kg of CO_2. In Germany, at 461 kg of CO_2.

The French average for tertiary buildings would be 211 kWh/m2 (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.

Electricity consumption of "green IT" data centers

The group has placed the servers it manages on behalf of its clients and for its own account with "dry hosting" specialists. Thus, almost all of the managed servers are located at five "Tier 3+" hosting partners and in eleven separate data centers. The useful life of servers and equipment has been extended from 3 to 5 years.

CSR criteria were integrated and led to the choice of different hosting subcontractors (mostly ISO 14001 and 50001) offering efficient PUE (Power Usage Effectiveness - see glossary) ratios in the range of 1.4 to 1.5 in target (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. The main hardware suppliers (IBM and Cisco) are also ISO 14001.

Indicators	2017	2018	2019	2020	2021
Number of cabinets “switched on” (entire Group)	227	210	186	189	201
Real average power per cabinet *(in kW)*	2.56	2.69	2.78	3.11	3.18
Average PUE	1.67	1.65	1.67	1.64	1.62
Total consumption (after CPUE) *(in MWh)*	8,504	8,172	7,552	8,576	9,495
CO_2 emissions *(metric tons CO_2 equivalent)*	858	830	779	864	956

Use of the ADEME emission factors.
In France, a MWh corresponds to 82 kg of CO_2. In Tunisia, at 463 kg of CO_2. 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. The proportions of renewable energy announced by the hosting companies, all very high, are not reliable enough.

Responsible digital technology, digital sobriety, equipment sustainability

For as long as the digital industry has existed, it has been driven primarily by the inflation of processing power and data storage capabilities. Nevertheless, the first trials of greater digital sobriety are taking place on the market. For example, for institutional websites, measurements of the environmental performance of the pages (EcoIndex) and of the respect of the general referential of improvement of accessibility (RGAA version 4) have been carried out. Initial energy efficiency measurements of applications have also been conducted.

One entity participated in workshops to identify good practices for a more responsible digital environment, with a view to signing the “Planet Tech’Care” manifesto in 2022.

The group is striving to increase the time of use of its computer equipment and cell phones.

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”).

More than 90% of customer and supplier invoices are paperless.

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 and 2021 is explained by the massive use of telecommuting:

Indicators	2017	2018	2019	2020	2021
Quantity of paper consumed per m^2 per year *(in g/m^2)*	384	311	239	159	177
Emissions *(metric tons CO_2 equivalent)*	11	9.5	7.5	5.2	5.9

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

Waste sorting

The selective sorting of office waste (Lemon Tri, Elise network...), the use of mugs and paper cups are becoming widespread.

2.8. GREEN TAXONOMY

The Taxonomy regulation (EU regulation 2020/852) is one of the measures of the European Union’s action plan included in its “Green Deal", a set of initiatives aimed at achieving carbon neutrality by 2050. The Green Taxonomy has been clarified by delegated acts published in the Official Journal of the European Union in December 2021. The production of the three indicators below is required starting this year. Their estimation will be progressively refined.

Turnover indicator

Regulations call for determining the share of activities that contribute to climate change mitigation or adaptation. “Eligible” activities were selected, a broader scope than “aligned” activities.

The correspondence between the activities defined by the Taxonomy and the activities of the group is tricky. Since hosting is outsourced to third parties, infrastructure activities (Taxonomy Regulation - Appendix 1 - “8.1. Data processing, hosting and related activities”) have been excluded. The group has selected consulting and application integration projects that will have a direct or indirect positive impact on the reduction of greenhouse gases (Appendix 1 - “8.2. Data-driven Solutions for GHG Emission Reductions”):
- BPM and dematerialization projects for incoming and outgoing documents,
- consulting missions in energy, water and waste treatment 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”,

For this first calculation, it was estimated that the eligible portion was around 3.5% of the group’s total revenues.

Capex indicator

The regulation states that eligible capital expenditures are those related to potentially sustainable activities, those that are part of a plan to make or expand a sustainable activity, and those individually eligible expenditures related to economic activities defined in the Taxonomy, (such as expenditures related to premises, vehicles and data hosting).

The definition of Capex in the Taxonomy is slightly different from the definition of Capex in the cash flow statement on page 57 of this document (6.4 million euro), but these differences are not material.

The Group’s initial analysis included IT investments and excluded vehicles and fixtures. Eligible expenses therefore represent approximately 80% of the 2021 Capex.

Opex indicator

The regulation requires that eligible operating expenses be related to the following operating expenses: research and development costs, building renovation costs, asset maintenance and repair costs.

For NSEs, the main expenses are, by far, salaries and subcontracting. €6.1 million in 2021, or approximately 1.2% of total expenses. The Opex indicator, which is the eligible part of this scope of expenses, has been considered as not material.

2.9. 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^2 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.

Since 2020, the definition of absenteeism has been modified by adding certain absence headings to the numerator (medical leave, maternity, paternity, commuting accidents, relocation, unpaid absences, administrative absences). 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.

2.10. AUDITOR'S OPINION

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

Year ended December 31, 2021

To the shareholders,

In our capacity as statutory auditors of your company (hereinafter referred to as "entity"), designated as an independent third-party body, accredited by the COFRAC Inspection under number 3-1141 (scope of accreditation available on the website www.cofrac.fr), we have performed procedures designed to provide a reasoned opinion expressing a moderate level of assurance on the historical information (observed or extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the procedures of the entity (hereinafter referred to as the "Reporting Criteria") relating to the financial year ended December 31, 2021 (hereinafter referred to as the "Information" and the "Statement" respectively, and which is presented in the Group's management report in application of the provisions of Articles L. 225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

1. Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on the information we obtained, nothing has come to our attention that causes us to believe that the consolidated statement of non-financial performance is not in compliance with the applicable regulations and that the information, taken as a whole, is presented fairly in accordance with the Standards.

2. Comments

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.

3. Preparation of the extra-financial performance statement

The lack of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

4. Limitations inherent in the preparation of information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used in its preparation and presented in the Statement.

5. Company's responsibility

It is the responsibility of the Board of Directors to:
- select or establish appropriate criteria for the preparation of information;
- 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 and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- implement the internal control procedures it deems necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Entity's Baseline as mentioned above.

6. Responsibility of the auditor appointed as an independent third party

On the basis of our work, it is our responsibility to express a conclusion of limited assurance on:
- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided pursuant to 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.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

It is not our place to comment on:
- the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the truthfulness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

7. Regulatory provisions and applicable professional doctrine

We conducted our work described below in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this type of engagement and the audit program.

8. Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code, the Code of Ethics of the profession of statutory auditor and the provisions of ISO 17029. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this activity, and the ISO 17029 standard.

9. Means and resources

Our work mobilized the skills of three people and took place between February and April 2022 over a total intervention period of two weeks. We conducted three interviews with those responsible for preparing the Statement.

10. Nature and scope of our work

We planned and performed our work taking into account the risks of material misstatement of the Information.
In our opinion, the procedures we conducted in the exercise of our professional judgment enable us to provide a moderate level of assurance conclusion:

- we have reviewed the activities of all the companies included in the scope of consolidation and the description 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 have verified that the Statement covers each category of information required by Article L. 225-102-1 in terms of social and environmental issues, respect for human rights and the fight against corruption and tax evasion;
- we have verified that the Statement presents the information required by II of Article R. 225-105 where relevant to the principal 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 of selection and validation of key risks and the consistency of the results, including the key performance indicators selected, with respect to the main risks and policies presented;
  - corroborate the qualitative information (actions and results) that we considered most important[1]. Our work was carried out at the level of the consolidating entity;
- we have verified that the Statement 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 Statement;
- 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[2], we implemented:
  - analytical procedures involving verifying that the collected data was consolidated correctly and that the trends were consistent;
  - detailed testing on the basis of surveys or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out with a selection of contributing entities[3] and covers between 41% and 100% of the consolidated key performance indicators and between 35% and 46% of the other consolidated data selected for these tests;
- we assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes; a higher level of assurance would have required more extensive audit work.

One of the auditors

Done in Paris, April 21, 2022

BM&A

Marie-Cécile Moinier
Members of the Compagnie régionale de Paris (Institute of Statutory Auditors)

(1) Qualitative information: Governance (Sustainable Development Committee meeting minutes), Loyalty actions (skills sponsorship); Active internal communication (internal letters, internal magazine “Talents”); Diversity and inclusion (training to support professional retraining, GME); Social dialogue (collective agreement); Occupational health and safety (workshops to raise awareness of workstation ergonomics); EcoVadis rating, School relations (Happy at Work label, Best Employer, Hybrid Workplace, Tech at Work); Voluntary actions with civil society (Handigolf and Mille et un sourires associations), B-Corp certification.

(2) Key performance indicators: active recruitment policy (number of new employees), turnover rate, expense related to bonus share plans, absenteeism rate. For other quantitative results: headcount, average age, diversity and inclusion (number of nationalities represented, percentage of foreigners in the workforce, percentage of women in the workforce).

(3) Helpline, Cloud temple, Experteam, Intrinsec, Codilog, Colombus, Deodis, Mobiapps, Visian, Iliade, 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.

It does not, of course, cover geopolitical, social or health events or, more generally, those affecting the entire economy of the countries in which the Group operates.

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 are shown in bold in the table above.

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 €1 million) 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 losses on completion is recorded for the projects or outsourced services concerned and still in progress at the date of the financial statements.

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).

On two occasions in the last ten years, a customer has penalized a group company for non-compliance with safety instructions. The sanction was a six-month freeze on orders. Each time, the loss of revenue 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 2021, the largest client represented 9.3% 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 above (see 4.24. “Management of financial risk”). It covers credit risk, liquidity risk, market risk (interest rate, currency, 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 suffered several 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 lockdown, 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, as well as the subsidiary dedicated to cybersecurity, are ISO 27001 (information systems security) certified. Each of these four organizations has a dedicated CISO (Information Systems Security Manager) who acts in coordination with their CIO (Information Systems Director).

Finally, upon first request, all subsidiaries benefit from the expertise of the group’s company, which has been specializing in cybersecurity for more than twenty-five years.

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 following insurance policies have been taken out for all or part of the group:
- professional civil liability: €15 million per claim and per calendar year (bodily injury, material and immaterial damages, consecutive or not),
- operating liability: €15 million per claim and per calendar year (bodily injury, material and immaterial damages, consecutive or not),
- civil liability of officers and directors: €5 million per calendar year (all damages combined),
- cybersecurity policing/digital risks: For the group's four ISO2700-certified information systems with dedicated CISO: €5 million per calendar year (for all guarantees), For the other entities of the group: €1 million per calendar year (with the exception of three entities with annual revenues of less than €3 million),
- 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 in place.

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 is the direct responsibility of the company 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 a high turnover, and therefore a risk on the conservation of knowledge and the continuity of the respect of the 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 (Sage X3 accounting and Sage People payroll in particular), whose main processes are interfaced (business management, sales, payroll).

Accounting applications are often SaaS (data integrity is the responsibility of the editor). If they are not, they are hosted in internal private clouds or computer rooms for some small entities. Their data is then backed up in the same way as the other data in the information systems of which they are part. To increase their security, most of the group's entities use Office 365 (backup under the responsibility of Microsoft) for office automation and message services.

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 on the basis of the accounts transmitted by the various 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' 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

ASSETS *(in thousands of euros)*	Notes	12/31/2020	12/31/2021
NON-CURRENT ASSETS			
Intangible assets	*Notes 1/2*	43,630	45,856
Rights of use (IFRS 16)	*Note 3*	32,195	33,158
Tangible assets	*Note 4*	14,449	12,945
Financial assets	*Note 5*	7,974	8,281
Deferred tax assets	*Note 6*	2,533	3,454
TOTAL NON-CURRENT ASSETS		100,781	103,694
CURRENT ASSETS			
Inventory	*Note 7*	635	887
Deferred tax assets due		2,846	2,225
Trade accounts and notes receivable	*Note 8*	178,986	195,843
Cash and cash equivalents	*Note 9*	266,603	65,174
TOTAL CURRENT ASSETS		449,070	464,129
TOTAL ASSETS		549,851	567,823

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	Notes	12/31/2020	12/31/2021
SHAREHOLDERS' EQUITY			
Capital		9,687	9,691
Additional paid-in capital		31,407	31,403
Consolidated reserves and profits		281,532	270,465
TOTAL SHAREHOLDERS' EQUITY ATTRIBUABLE TO PARENT COMPANY SHAREHOLDERS	*Note 10*	322,626	311,559
Minority equity investments		36,399	41,360
SHAREHOLDERS' EQUITY		359,025	352,919
NON-CURRENT LIABILITIES			
Non-current provisions	*Note 11*	2,160	2,519
Non-current financial liabilities	*Note 9*	371	204
Non-current lease liabilities (IFRS 16)	*Note 3*	26,863	27,621
TOTAL NON-CURRENT LIABILITIES		29,394	30,344
CURRENT LIABILITIES			
Current provisions	*Note 12*	1,946	1,478
Taxes due		2,385	5,603
Trade and other accounts payable	*Note 13*	150,042	169,856
Current lease liabilities (IFRS 16)	*Note 3*	6,680	7,292
Current financial liabilities and bank overdrafts	*Note 9*	379	331
TOTAL CURRENT LIABILITIES		161,432	184,560
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		549,851	567,823

4.2. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2020	2021
Software and equipment sales		2,943	2,754
Sale of services		521,546	577,125
REVENUES		524,489	579,879
Purchases consumed		(26)	-
Salaries and related expenses	*Note 14*	(296,168)	(323,302)
External expenses	*Note 15*	(154,436)	(174,745)
Taxes and duties		(7,208)	(7,368)
Allocations to amortization and depreciation	*Note 16*	(7,685)	(7,648)
Depreciation of rights of use (IFRS 16)	*Note 3*	(7,346)	(7,157)
Allocations to provisions	*Note 16*	(961)	588
Other income	*Note 17*	1,541	2,220
Other expenses	*Note 17*	(273)	(688)
Other operating income	*Note 18*	202	525
Other operating expenses	*Note 18*	(266)	(731)
OPERATING PROFIT		51,863	61,573
– as percentage of revenue		*9.9%*	*10.6%*
Financial income		2,933	1,152
Financial expenses		(531)	(217)
Financial expenses on lease liabilities (IFRS 16)		(702)	(749)
Net financial profit (loss)	*Note 19*	1,700	186
PRETAX PROFIT		53,563	61,759
– as percentage of revenue		*10.2%*	*10.7%*
Tax on earnings	*Notes 20/21*	(18,578)	(18,819)
PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES		34,985	42,940
– as percentage of revenue		*6.7%*	*7.4%*
PROFIT FOR THE PERIOD		**34,985**	**42,940**
Including:			
• Profit attributable to owners of the parent company (Group share)		30,918	37,706
• Income attributable to non-controlling interests (minority interests)		4,067	5,234

Undiluted earnings per share - Group share (in euros)	1.27	1.56
Number of shares*	24,239,282	24,215,658
Diluted earnings per share - Group share (in euros)	1.27	1.56
Number of shares*, stock options & exercisable bonus shares attributed	24,279,532	24,247,408

* Number of shares weighted over the period.

4.3. OTHER CONSOLIDATED FINANCIAL ITEMS

Statement of consolidated comprehensive income for the year ended December 31, 2021

(in thousands of euros)	2020	2021
Profit for the period	**34,985**	**42,940**
Other comprehensive income: translation adjustments (foreign currency activities)	(367)	165
Comprehensive income	**34,618**	**43,105**
Including:		
• share attributable to parent company shareholders (Group share)	30,609	37,830
• share attributable to minority equity investments (minority interests)	4,009	5,275

Consolidated statement of cash flows for the year ending December 31, 2021

(in thousands of euros)	2020	2021
Consolidated income before minority interests	**34,985**	**42,940**
Elimination of non-monetary items:		
• Net allocations to amortization, depreciation and provisions	8,555	7,526
• Depreciation of rights of use (IFRS 16)	7,413	7,157
• Expenses/(Income) related to stock options and similar items	1,609	1,991
• Effect of discounting receivables and debts maturing in more than one year	184	291
• Losses/(Gains) on disposals, net of tax	87	206
• Losses/(Gains) on lease terminations (IFRS 16)	(64)	(228)
• Losses/(Gains) on disposals of consolidated investments, net of tax	-	93
Cash flows from operating activities after net financial income and tax	**52,769**	**59,976**
• Net financial profit	(1,700)	(186)
• Taxes due	18,578	18,819
Cash flows from operating activities before net financial income and tax	**69,647**	**78,609**
Cash variation in:		
• Working capital requirement for operations	12,619	2,045
• Taxes paid	(14,977)	(16,156)
CASH FLOW FROM OPERATIONAL ACTIVITIES	67,289	64,498
Acquisitions of intangible and tangible assets	(7,192)	(6,579)
Disposals of fixed assets, net of tax	71	156
Proceeds from sales of financial assets	365	498
Acquisitions of financial assets	(1,290)	(1,099)
Acquisitions of companies, net of the acquired cash	(667)	(2,621)
Securities bought from minority shareholders of subsidiaries	(147)	(2,460)
Capital subscription/increase by minority shareholders of subsidiaries	829	1,414
Disposal of consolidated securities, net of tax	19	71
CASH FLOW FROM INVESTMENT ACTIVITIES	(8,012)	(10,620)
Capital reduction	(1,186)	-
Company buy-back and sale of its own securities	(45)	89
Dividends paid to parent company shareholders	(4,842)	(48,423)
Dividends paid to minorities of subsidiaries	(82)	(672)
Increase in financial liabilities	143	15
Repayment of financial debts	(75)	(208)
Repayment of lease liabilities (IFRS 16)	(6,666)	(6,412)
Net financial interest	1,700	186
CASH FLOW FROM FINANCING ACTIVITIES	(11,053)	(55,425)
NET CHANGE IN CASH AND CASH EQUIVALENTS	48,224	(1,547)
Effect of foreign exchange variations on the cash held	(174)	130
CASH AND CASH EQUIVALENTS AT OPENING	218,441	266,491
CASH AND CASH EQUIVALENTS AT CLOSING	266,491	265,074

Statement of changes in consolidated shareholders' equity for the year ended December 31, 2021

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 invest-ments***	Total sharehol-ders' equity
SHAREHOLDERS' EQUITY AT 12/31/2019	9,714	31,407	224,466	901	(114)	30,799	297,173	30,149	327,322
Movements for FY 2020									
• Consolidated profit for the year	-	-	-	-	-	30,918	30,918	4,067	34,985
Translation adjustments	-	-	(306)	-	-	-	(306)	*(61)*	(367)
• *Overall result*	-	-	*(306)*	-	-	*30,918*	*30,612*	*4,006*	*34,618*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	1,484	-	-	1,484	113	1,597
• Capital transactions	(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	-	-	(4,842)	-	-	-	(4,842)	-	(4,842)
• Commitment to buy out minority interests	-	-	(409)	-	-	-	(409)	-	(409)
• Change in scope	-	-	(134)	-	-	-	(134)	2,213	2,079
Total transactions with shareholders recognized directly in shareholders' equity	*(27)*	-	*25,156*	*583*	*(72)*	*(30,799)*	*(5,159)*	*2,325*	*(2,834)*
Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	*(81)*	*(81)*
SHAREHOLDERS' EQUITY AT 12/31/2020	9,687	31,407	249,316	1,484	(186)	30,918	322,626	36,399	359,025
Movements for FY 2021									
• Consolidated profit for the year	-	-	-	-	-	37,706	37,706	5,234	42,940
Translation adjustments	-	-	124	-	-	-	124	41	165
• *Overall result*	-	-	124	-	-	37,706	37,830	5,275	43,105
• IFRS 2 restatements - stock options & bonus shares	-	-	-	1,834	-	-	1,834	157	1,991
• Capital transactions	4	(4)	-	-	-	-	-	-	-
• Change in treasury shares	-	-	-	-	(75)	-	(75)	(27)	(102)
• Allocation of 2020 profit	-	-	32,402	(1,484)	-	(30,918)	-	-	-
• Dividends paid by the parent company	-	-	(48,423)	-	-	-	(48,423)	-	(48,423)
• Commitment to buy out minority interests	-	-	(1,184)	-	-	-	(1,184)	(364)	(1,548)
• Change in scope	-	-	(1,049)	-	-	-	(1,049)	(592)	(457)
Total transactions with shareholders recognized directly in shareholders' equity	*4*	*(4)*	*(18,254)*	*350*	*(75)*	*(30,918)*	*(48,897)*	*358*	*(48,539)*
Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	*(672)*	*(672)*
SHAREHOLDERS' EQUITY AT 12/31/2021	**9,691**	**31,403**	**231,186**	**1,834**	**261**	**37,706**	**311,559**	**41,360**	**352,919**

* Of which currency translation reserve (-€1.887 million at December 31, 2021).
** 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 2021 consolidated financial statements presented in this document were approved by the Board of Directors at its meeting of March 9, 2022 for submission to the Shareholders' Meeting of June 2, 2022.

NEURONES' consolidated financial statements for the year ended December 31, 2021 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, 2020 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

The preparation of financial statements in accordance with the conceptual framework of IFRS requires the use of estimates and assumptions that affect the application of accounting policies and the amounts reported in the 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 NEURONES'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 and 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, 2021, 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 "4.8. 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 a fixed part, a variable part 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 profit 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. For this purpose, assets are broken down into Cash Generating Units (CGUs), which correspond to homogeneous groups of assets that 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).

If there is such a sign of value loss, 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.

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).

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 (which measures the sensitivity of the company's performance to fluctuations in the market),
- the length of the explicit period is 5 years,
- the assumptions (sales growth, operating margin, 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

In accordance with IFRS 9, equity investments in non-consolidated companies are recognized either at fair value or at amortized cost, depending on the contractual characteristics of these financial assets and the Group's management model.

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 indicated 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 profit, 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, 2021.

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 addresses a very broad spectrum of uniformly distributed customers in multiple business sectors, with the largest customer not accounting for more than 9.3% of the consolidated revenues. This is a major banking Group whose multiple decision centers order and pay for 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 €2.4 million at the end of the fiscal year.

Capital management

By design, managers and their families hold 70% of the capital, which constitutes a 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 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, 2021, applied without impact on the Group's financial statements at December 31, 2021
- Amendments to IFRS 4 - Extension of the temporary exemption from IFRS 9;
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform - Phase 2;
- Amendment to IFRS 16 - Lease arrangements beyond June 30, 2021;
- Amendment to IAS 19 - IFRS IC decision of May 2021 relating to the methodology for calculating employee benefits and the vesting period.

Mandatory implementing provisions after December 31, 2021, not applied in advance
- Amendments to IFRS 3 - References to the conceptual framework;
- Amendments to IAS 37 - Onerous Contracts - Costs of Performing a Contract;
- Amendments to IAS 16 - Pre-Use Revenues from Property, Plant and Equipment;
- Annual improvements 2018-2020;
- IFRS 17 - Insurance contracts including amendments published on 25/06/20;
- Amendments to IAS 12 - Deferred taxes related to assets and liabilities arising from a single transaction.

5. SCOPE OF CONSOLIDATION

5.1. List of consolidated companies

n the table below, only companies whose annual contribution to 2021 revenues is greater than €10 million are listed.

Companies consolidated by full consolidation	Registered Office:	12/31/2020			12/31/2021		
		% Stake	% Control	Conso-lidation method	% Stake	% Control	Conso-lidation method
Parent company							
NEURONES	205, Av. Georges Clemenceau - 92000 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 - 92000 NANTERRE	94%	99%	FC	92%	98%	FC
Codilog	205, Av. Georges Clemenceau - 92000 NANTERRE	73%	73%	FC	77%	77%	FC
Colombus Consulting	138, avenue des Champs-Elysées - 75008 PARIS	87%	87%	FC	86%	86%	FC
Deodis	2, place de la Défense CNIT - 92800 PUTEAUX	89%	96%	FC	90%	97%	FC
Experteam	171, Av. Georges Clemenceau - 92000 NANTERRE	92%	96%	FC	92%	99%	FC
Finaxys	1 Terrasse Bellini - Tour Initiale - 92919 PARIS LA DEFENSE	76%	76%	FC	76%	76%	FC
Helpline	171, Av. Georges Clemenceau - 92000 NANTERRE	93%	93%	FC	93%	93%	FC
Iliade Consulting	1, rue de la Pépinière - 75008 PARIS	51%	70%	FC	53%	70%	FC
Intrinsec Sécurité	1 passerelle des Reflets - 92400 COURBEVOIE	85%	90%	FC	85%	90%	FC
MobiApps	14, rue Jules Verne - 44700 ORVAULT	97%	97%	FC	97%	97%	FC
NEURONES IT	205, Av. Georges Clemenceau - 92000 NANTERRE	97%	97%	FC	97%	97%	FC
RS2i	44, av Georges Pompidou - 92300 LEVALLOIS-PERRET	99%	99%	FC	99%	99%	FC
Scalesquad	205, Av. Georges Clemenceau - 92000 NANTERRE	-	-	-	97%	100%	FC

FC = Consolidation by full consolidation

5.2. Significant events

Impact of variations on the scope of shareholders' equity

(in thousands of euros)	% Stake at 12/31/2020	% Stake at 12/31/2021	Change	Impact on shareholders' equity attributable to parent company shareholders	Impact on minority equity investments
Codilog	72.9%	76.6%	3.6%	(436)	(603)
Plan	93.5%	91.8%	(1.8%)	(287)	407
NEURONES IT	97.3%	96.6%	(0.8%)	(271)	369
Deodis	88.9%	89.9%	1.0%	(141)	(134)
Colombus Consulting	87.0%	86.0%	1.0%	(113)	(239)
Iliade Consulting	51.1%	53.4%	2.3%	113	(32)
Visian	96.1%	85.6%	-10.5%	16	169
Helpline	93.0%	92.8%	-0.2%	(9)	220
Tempo & Co	0.0%	60.2%	60.2%	-	364
Others (< +/- €100,000)	-	-	-	79	71
TOTAL	-	-	-	(1,049)	592

During 2021, various transactions were carried out with certain minority shareholders of subsidiaries. They resulted in slight changes in percentage stakes.

Acquisition of Tempo & Co

The Group has taken control of Tempo & Co, which will be consolidated as of December 31, 2021.

The price was paid in cash, with future earn-outs. The fair value of the equity at the acquisition date amounted to €1.2 million.

The remaining goodwill of €2.8 million represents mainly human capital, expected synergies in terms of revenues and market share.

At the date of entering the scope, the acquired company's main totals were:

ASSETS *(in thousands of euros)*	Tempo & Co (Acquisition)
Intangible assets	-
Tangible assets	3
Financial assets	2
Deferred tax assets	-
TOTAL NON-CURRENT ASSETS	5
Inventory	-
Deferred tax assets due	-
Trade accounts and notes receivable	722
Cash and cash equivalents	989
TOTAL CURRENT ASSETS	1,711
TOTAL ASSETS	1,716

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	Tempo & Co (Acquisition)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUABLE TO PARENT COMPANY SHAREHOLDERS	730
Minority equity investments	482
SHAREHOLDERS' EQUITY	1,212
Non-current provisions	-
Non-current financial liabilities	-
TOTAL NON-CURRENT LIABILITIES	-
Current provisions	-
Taxes due	-
Trade and other accounts payable	504
Other financial liabilities	-
TOTAL CURRENT LIABILITIES	504
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,716

6. NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

(in thousands of euros)	12/31/19	+	–	12/31/20	Change in Scope	+	–	12/31/21
Goodwill (see details in Note 2)	40,472	2,216	-	42,688	-	2,762	750	44,700
Patents and licenses	6,721	1,613	62	8,272	-	1,077	134	9,215
Contracts and contractual relationships	341	-	1	340	-	-	-	340
GROSS TOTAL	47,534	3,829	63	51,300	-	3,839	884	54,255
Amortization and depreciation	(6,291)	(533)	(63)	(6,761)	-	(1,064)	(54)	(7,771)
Impairment	(909)	-	-	(909)	-	-	(281)	(628)
NET TOTAL	40,334	3,296	-	43,630	-	2,775	549	45,856

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

(in thousands of euros)	12/31/19	+	–	12/31/20	+	Reclass.	–	12/31/21
Companies concerned								
Colombus Consulting	10,386	-	-	10,386	-	345	-	10,731
AS International	8,874	-	-	8,874	-	-	-	8,874
Helpline	5,179	-	-	5,179	-	-	-	5,179
Codilog	3,792	-	-	3,792	-	-	-	3,792
RS2I	3,460	-	-	3,460	-	-	-	3,460
Iliade Consulting	2,959	-	-	2,959	-	-	-	2,959
Tempo & Co	-	-	-	-	2,762	-	-	2,762
Plan	2,180	-	-	2,180	-	-	-	2,180
Aezan Services	-	1,931	-	1,931	-	-	468	1,463
Arondor	1,480	-	-	1,480	-	-	-	1,480
Others (< €1 million)	2,161	285	-	2,447	-	(627)	-	1,821
GROSS TOTAL	40,472	2,216	-	42,688	2,762	(282)	468	44,700
Impairment	(568)	-	-	(568)	-	281	-	(287)
NET TOTAL	39,904	2,216	-	42,120	2,762	(1)	468	44,413

The changes during the year mainly concern the acquisition of Tempo & Co (see 5.2 Significant events).

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)	01/01/21	⊕	Repayment	Depreciation	⊖	Revaluation	Reclassification	12/31/21
1. IMPACTS ON THE BALANCE SHEET								
Rights of use	43,996	9,611	-		(4,502)	389	(265)	49,229
Amortization of rights of use	(11,801)	-	-	(7,157)	2,756	-	131	(16,071)
TOTAL NET USER FEES	32,195	9,611	-	(7,157)	(1,746)	389	(134)	33,158
Prepaid expenses	280	-	-	-	(110)	-	-	170
TOTAL ASSETS	32,475	9,611	-	(7,157)	(1,856)	389	(134)	33,328
Non-current rental debts	26,863	8,439	-	-	(1,299)	351	(6,733)	27,621
Current rental debts	6,680	1,170	(6,522)	-	(675)	40	6,599	7,292
TOTAL RENT LIABILITIES	33,543	9,609	(6,522)	-	(1,974)	391	(134)	34,913
ASSETS – LIABILITIES	(1,068)	2	6,522	(7,157)	118	(2)	-	(1,585)
2. IMPACT ON THE INCOME STATEMENT								
Amortization of rights of use	-	-	-	(7,157)	-	-	-	(7,157)
Financial expense	-	-	(749)	-	-	-	-	(749)
Cancellation of rents	-	-	7,161	-	-	-	-	7,161
Net proceeds from broken leases	-	-	-	-	228	-	-	228
IMPACT ON NET INCOME BEFORE TAX	-	-	6,412	(7,157)	228	-	-	(517)

In 2021, IFRS16 expenses were €517,000 more than the rent paid (before tax). This was also the case in 2020 to the tune of €618,000. In total, since the application of IFRS 16 (January 1, 2019), a liability of €1,585,000 (450,000 + 618,000 + 517,000) has arisen in 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 (theoretically) all the leases are completed, this liability of €1,585,000 will be fully recovered.

Note 4 – Property, plant and equipment

(in thousands of euros)	12/31/19	⊕	Reclass.	⊖	12/31/20	Change in Scope	⊕	Reclass.	⊖	12/31/21
Land and buildings	104	-	-	-	104	-	-	-	-	104
Fixtures and installations	14,054	1,245	-	428	14,871	-	813	5	683	15,006
Transportation equipment	3,194	237	3	459	2,975	-	260	48	553	2,730
IT and office equipment	42,748	4,328	-	1,762	45,314	(15)	4,367	(47)	729	48,890
Fixed assets under construction	108	8	(114)	-	2	-	37	(5)	-	34
GROSS TOTAL	60,208	5,818	(111)	2,649	63,266	(15)	5,477	1	1,965	66,764
Amortization and depreciation	(44,075)	(7,231)	1	(2,488)	(48,817)	12	(6,715)	-	(1,701)	(53,819)
NET TOTAL	16,133	(1,413)	(110)	161	14,449	(3)	(1,238)	1	264	12,945

The increase in property, plant and equipment is due to investments in:
- 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,

The decreases correspond primarily to scrapping.

Note 5 – Financial assets

(in thousands of euros)	12/31/19	Change in Scope	+	−	12/31/20	Change in Scope	+	−	12/31/21
Non-consolidated securities	52	1	12	17	48	-	-	15	33
Loans	4,314	-	548	82	4,780	-	477	140	5,117
Other financial assets	2,882	27	584	294	3,199	2	332	349	3,184
GROSS TOTAL	7,248	28	1,144	393	8,027	2	809	504	8,334
Impairment	(5)	-	(48)	-	(53)	-	-	-	(53)
NET TOTAL	7,243	28	1,096	393	7,974	2	809	504	8,281

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 real estate 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)	12/31/20	12/31/21
Employee statutory profit sharing	973	1,526
Present value of receivables maturing in more than one year	743	816
Provision for retirement benefits	510	583
Leases (IFRS 16)	299	420
Other temporary differences	(55)	49
Tax losses deferrable indefinitely	63	60
TOTAL DEFERRED TAXES	2,533	3,454

Note 7 – Inventory

(in thousands of euros)	12/31/20	12/31/21
Licenses and equipment	638	890
GROSS TOTAL	638	890
Impairment	(3)	(3)
NET TOTAL	635	887

No inventory has been pledged as security.

Note 8 – Trade accounts and notes receivable

(in thousands of euros)	12/31/20	12/31/21
Trade receivables	130,775	138,013
Unbilled revenue	22,746	28,460
Suppliers: credit notes receivable	672	642
VAT and other taxes	19,236	21,356
Other receivables	711	379
Prepaid expenses	6,803	8,830
GROSS TOTAL	180,943	197,680
Impairment	(1,957)	(1,837)
NET TOTAL	178,986	195,843

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	1,774	2,070	2,845	25,745	105,579	138,013
Impairment	(1,269)	(19)	(90)	(9)	(13)	(1,400)
Net value	505	2,051	2,755	25,736	105,566	136,613
TOTAL	-0.4%	1.5%	2.0%	18.8%	77.3%	100%

Note 9 – Net cash and cash equivalents

ASSETS *(in thousands of euros)*	12/31/20	Maturities/Due dates at 12/31/2021			12/31/21
		More than 2 years	Between 1 and 2 years	Less than 1 year	
Term deposits	123,115	113,000	8,000	48,602	169,602
Other marketable securities	5,348	-	-	3,357	3,357
Cash and cash equivalents	137,601	-	-	91,803	91,803
Accrued interest	539	-	-	412	412
TOTAL ASSETS	266,603	113,000	8,000	144,174	265,174
LIABILITIES					
Non-current loans	371	78	126	-	204
Current loans	152	-	-	105	105
LOANS SUBTOTAL	523	78	126	105	309
Bank overdrafts	113	-	-	100	100
Security deposits received	114	-	-	125	125
OTHER CURRENT FINANCIAL LIABILITIES	227	-	-	225	225
TOTAL LIABILITIES	750	78	126	330	534
CASH AND CASH EQUIVALENTS NET OF FINANCIAL DEBT	265,853	112,922	7,874	143,844	264,640

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 1.4%.

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, 2021, the share capital amounted to €24,228,216; comprised of €9,691,286.40 fully paid-up shares of the same class with a face value of €0.40.

In addition, the bonus share plan G delivered on June 15, 2021 resulted in the creation of 10,500 new shares, which increased the share capital by €4,200 via the incorporation of reserves taken from the "additional paid-in capital" item.

The change in the number of shares outstanding during the year 2021 is therefore as follows:

Number of shares outstanding at 01/01/2021	Increase	Decrease	Number of shares outstanding at 12/31/2021
24,217,716	10,500	-	24,228,216

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 attributing 54,500 bonus 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, 2021, 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	5/31/2019	9/9/2023
Holding period term	5/31/2019	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 12/31/2020	2,500	-
Number of shares in the vesting period at 01/01/2021	10,500	54,500
Number of shares expired during the vesting period over the year	-	4,000
Number of shares in the vesting period at 12/31/2021	-	50,500
Number of shares in holding period at 1/1/2020	-	-
Number of shares in holding period at 12/31/2021	10,500	-
Potential dilution (excluding canceled options) -% of capital at 12/31/2021	-	0.21%
TOTAL POTENTIAL DILUTION		0.21%

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 G	Bonus share plan H
Life	3 years	3 years
Volatility	17%	N/A
Risk-free rate	0%	0%
Dividend payout rate	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 14, 2018 (plan G) – Bonus shares	6/15/2021	-	-	28.70
September 9, 2020 (plan H) - Bonus shares	5/31/2019	-	24.1	-

The expenses related to the stock option plans are presented in Note 14 hereafter.

Note 10.3 – Earnings per share

	2020	2021
Number of shares at the beginning of the year	24,285,862	24,217,716
Average number of shares issued/cancelled	(37,154)	5,725
Average number of treasury shares	(9,427)	(7,782)
Average number of shares in circulation during the year	24,239,282	24,215,658
Average number of dilutive instruments	39,000	31,750
Average number of shares in circulation after dilution	24,278,282	24,247,408
Net profit – Group share (in euros)	30,918,260	37,705,825
Earnings per share, Group share – undiluted (in euros)	1.27	1.56
Earnings per share, Group share – diluted (in euros)	1.27	1.55

Note 11 – Non-current provisions

(in thousands of euros)	12/31/19	Allocation for the year	Write-backs for the year	12/31/20	Change in scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/21
Provision for retirement benefits	2,160	360	(18)	2,160	-	404	(45)	-	2,519
TOTAL	2,160	360	(18)	2,160	-	404	(45)	-	2,519
Impact on operating profit (net of expenses incurred)					-	*(404)*	-	-	

Note 12 – Current provisions

(in thousands of euros)	12/31/19	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	12/31/20	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/21
Provisions	1,405	15	1,019	(493)	1,946	-	611	(697)	(382)	1,478
TOTAL	1,405	15	1,019	(493)	1,946	-	611	(697)	(382)	1,478
Impact on operating profit (net of expenses incurred)						-	*(611)*	-	*382*	

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

(in thousands of euros)	12/31/20	12/31/21
Trade and related accounts payable	32,657	37,727
Employee statutory profit sharing and optional profit sharing	3,585	5,754
Outstanding payroll & payroll taxes	90,732	97,365
Other debts	7,718	9,315
Prepaid income*	15,350	19,695
TOTAL	150,042	169,856

* See "4.22. Revenue recognition (IFRS 15)" above.

All of the above operating liabilities are due within 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

(in thousands of euros)	2020	2021
Salaries	207,344	224,218
Payroll taxes	83,215	90,328
Employee statutory profit sharing	3,380	5,822
Bonus shares	2,008	2,575
Provision for retirement benefits	221	359
TOTAL	296,168	323,302

Partial activity allowances received from the State (€1,732 thousand in 2021) have been deducted from the "wages" item.

Note 15 – External expenses

(in thousands of euros)	2020	2021
Subcontracting purchases	127,480	145,734
Purchases of materials and supplies not stored	444	393
Outside personnel	1,299	1,214
Other outside services	22,799	24,696
Rental expenses	2,414	2,708
TOTAL	154,436	174,745

Note 16 – Allocations to amortization, depreciation, provisions and impairment of assets

(in thousands of euros)	2020	2021
Amortization of intangible assets	674	915
Depreciation of tangible assets	7,011	6,733
ALLOCATIONS TO AMORTIZATION AND DEPRECIATION	7,685	7,648
Amortization of rights of use (IFRS 16)	7,346	7,157
ALLOCATIONS TO AMORTIZATION OF RIGHTS OF USE	7,346	7,157
Net contingency provisions	519	(468)
Net provisions for current assets	442	(120)
NET ALLOCATIONS TO PROVISIONS	961	588

Note 17 – Other income and expenses

(in thousands of euros)	2020	2021
Operating subsidies	883	1,310
Miscellaneous income	658	(910)
OTHER INCOME	**1,541**	**2,220**
Miscellaneous expenses	(273)	(688)
OTHER EXPENSES	**(273)**	**(688)**
NET OTHER INCOME/OTHER EXPENSES	1,268	1,532

The details of the operating grants are as follows:

(in thousands of euros)	2020	2021
Research Tax Credit (CIR)	829	1,295
Other grants	54	15
TOTAL	883	1,310

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

(in thousands of euros)	2020	2021
Capital gain/(loss) on disposal of assets	(87)	(299)
Capital gain/(loss) on lease termination (IFRS 16)	64	228
Impairment of goodwill	-	-
Other	(41)	(135)
TOTAL	(64)	206

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

(in thousands of euros)	2020	2021
Dividends received (non-consolidated equity investments)	117	-
Other interest and similar income	905	1,150
Capital gains on disposal of cash equivalents	1,911	2
Capital gain on disposal of financial assets	-	-
Write-backs of provisions	-	-
TOTAL FINANCIAL INCOME	**2,933**	**1,152**
Interest and similar expenses	318	217
Allocations to provisions	213	-
TOTAL FINANCIAL EXPENSES	**531**	**217**
Financial expenses on lease liabilities (IFRS 16)	702	749
FINANCIAL PROFIT (LOSS)	1,700	186

Note 20 – Income tax

(in thousands of euros)	2020	2021
Corporate income tax	13,295	16,635
Company Value Added Contribution (CVAE)	5,215	3,121
TAXES DUE	**18,510**	**19,756**
Deferred tax assets and liabilities	68	(937)
TOTAL	18,578	18,819

Note 21 – Proof of tax

			2020			2021
(in thousands of euros)	Base	Rate	Tax	Base	Rate	Tax
Pre-tax income, capital gain on sale of consolidated shares	53,563	28%	14,998	61,760	26.50%	16,366
Non-deductible calculated expenses	1,607	28%	450	1,992	26.50%	528
Impact of permanently non-deductible net expenses	795	28%	223	1,608	26.50%	426
Generation/(Use) of tax losses not activated	111	28%	31	162	26.50%	43
Tax credits	-	-	(476)	-	-	(674)
CVAE (Company Value Added Contribution) impact on tax	-	-	3,755	-	-	2,294
Rate difference between parent company and subsidiaries	-	-	(403)	-	-	(164)
EFFECTIVE TAX EXPENSE	-	-	18,578	-	-	18,819
Average tax rate	-	-	34.7%	-	-	30.5%

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 2021 (fixed and variable). It is unchanged from 2020 (and since 2018). The officers do not collect any other remuneration.

9. MISCELLANEOUS INFORMATION

9.1. Security given

No guarantees were given at December 31, 2021.

9.2. Off balance sheet commitments

There were no off balance sheet commitments at December 31, 2021.

9.3. Auditors' fees

	BM&A				KPMG				Other			
	Amount		%		Amount		%		Amount		%	
(in thousands of euros)	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Audit												
Statutory auditors' examination of the parent company and consolidated financial statements												
- parent company	24	30	16%	16%	24	26	16%	17%	-	-	-	-
- subsidiaries	118	126	77%	70%	129	124	84%	82%	6	6	100%	23%
Accessory assignments (due diligence, etc.)	11	26	7%	14%	1	1	-	1%	-	20	-	77%
TOTAL	153	182	100%	100%	154	151	100%	100%	6	26	100%	100%

9.4. Average number of employees

	2020	2021
France	4,761	4,906
International	690	816
TOTAL	5,451	5,722

9.5. Subsequent events at December 31, 2021

None.

9.6. Distribution of dividends

The 2021 financial statements will be submitted for approval to the Annual General Meeting of June 2, 2022. The Board of Directors (meeting of March 9, 2022) proposed the payment of a dividend of €1 per share.

4.5. AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended December 31, 2007 and of the financial position and assets and liabilities of the Group as at that date, in accordance with International Financial Reporting Standards as adopted by 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, 2021 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 global crisis related to the Covid-19 pandemic creates special conditions for the preparation and audit of this year's accounts. Indeed, this crisis and the exceptional measures taken within the framework of the state of health emergency have 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 changing context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most important for the audit of the consolidated financial statements for the year, as well as the responses we have given to these risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on any individual item of these 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 on a percentage-of-completion basis. The percentage of completion is calculated on the basis of the costs incurred compared with the total projected costs to completion discounted to present value. 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 of fixed-price projects and multi-year contracts, we considered that revenue recognition for these services was a key issue in 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, through interviews with project managers and comparisons with similar contracts, of the reasonableness of the remaining costs to be incurred;
- comparison of the profit margin on these contracts with that recognized on similar past contracts;
- verification of the arithmetical accuracy of the sales figures for the year.

Specific procedures and disclosures

In accordance with professional standards applicable in France, we have also verified the information given in the Board of Directors' management report concerning the Group as required by law.

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 the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified that the consolidated financial statements to be included in the annual financial report referred to in I of Article L. 451-1-2 of the French Monetary and Financial Code, which are the responsibility of the Chairman and Chief Executive Officer, comply with this format as defined by European Delegated Regulation No. 2019/815 of December 17, 2018. In the case of consolidated financial statements, our work includes verifying that the markup of these financial statements conforms to the format defined by the above-mentioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the consolidated financial statements which will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

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, 2021, KPMG S.A. was in the 18th uninterrupted year of its assignment and BM&A in the 25th year, thus respectively 18 and 22 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 does not 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. And furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks and obtains audit evidence considered to be sufficient and appropriate to provide a basis for 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 includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. 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 statement 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 21, 2022

KPMG S.A.

Camille Mouysset
Associate

Paris, April 21, 2022

BM&A

Thierry Bellot
Partner

Céline Claro
Associate

❺ Parent company financial items

5.1. PARENT COMPANY BALANCE SHEET AND INCOME STATEMENT

Parent Company Balance Sheet

ASSETS *(in thousands of euros)*	12/31/2020 Net	12/31/2021 Gross	Amortization and depreciation depreciation and provisions	Net
Franchises, patents and licenses	15	105	95	10
Intangible assets under construction	-	-	-	-
INTANGIBLE ASSETS	**15**	**105**	**95**	**10**
Fixtures and installations	285	392	142	250
IT and office equipment	49	102	67	35
TANGIBLE ASSETS	**334**	**494**	**209**	**285**
Financial interests	78,062	78,522	-	78,522
Loans	16	-	-	-
Other financial assets	444	562	-	562
FINANCIAL ASSETS	**78,522**	**79,084**	**-**	**79,084**
TOTAL FIXED ASSETS	**78,871**	**79,683**	**304**	**79,379**
Trade and related accounts receivable	32,730	30,114	-	30,114
Other receivables	21,526	24,320	-	24,320
Marketable securities	116,026	148,030	-	148,030
Cash and cash equivalents	63,069	21,002	-	21,002
TOTAL CURRENT ASSETS	**233,351**	**223,466**		**223,466**
Prepaid expenses	42	70		70
TOTAL ASSETS	312,264	303,219	304	302,915

LIABILITIES *(in thousands of euros)*	12/31/2020	12/31/2021
Share capital	9,687	9,691
Additional paid-in capital	30,618	30,614
Legal reserve	972	972
Retained earnings	65,986	21,261
PROFIT FOR THE YEAR	**3,698**	**7,882**
TOTAL SHAREHOLDERS' EQUITY	**110,961**	**70,420**
Contingency provisions	13	13
TOTAL CONTINGENCY AND LOSS PROVISIONS	**13**	**13**
Loans and debts with lending institutions	-	-
Trade and related accounts payable	31,446	32,829
Outstanding payroll & payroll taxes	5,902	6,123
Debts on fixed assets and related accounts	7	3
Other debts	163,935	193,527
TOTAL DEBTS	**201,290**	**232,482**
Prepaid income	-	-
TOTAL LIABILITIES	312,264	302,915

Parent Company Income statement

INCOME STATEMENT *(in thousands of euros)*	2020	2021
Sales of goods	806	120
Services provided	*131,897*	*139,577*
Incidental income	*4,177*	*4,746*
Sale of services	136,074	144,323
NET REVENUES	**136,880**	**144,443**
Operating subsidies	-	11
Write-backs on provisions, amortization and depreciation, expense transfers	12	0
Other income	3	9
OPERATING INCOME	136,895	144,463
Goods purchased	805	120
Variation in inventory	-	0
Other purchases and external charges	133,654	141,398
Taxes, duties and similar payments	283	269
Salaries and wages	1,459	1,546
Payroll taxes	645	788
Allocations to amortization and depreciation on fixed assets	53	56
Provisions for current assets	-	
Contingency and loss provisions	17	0
Other expenses	19	19
OPERATING EXPENSES	136,935	144,196
OPERATING PROFIT/(LOSS)	(40)	267
Financial income from equity investments	2,697	7,758
Other interest and similar income	-	657
Write-backs on provisions for financial contingencies and expense transfers	2,350	317
Positive foreign exchange variations	-	10
FINANCIAL INCOME	5,047	8,742
Net financial allocations to amortization, depreciation and provisions	-	0
Interest and similar expenses	839	881
Negative foreign exchange variations	5	0
FINANCIAL EXPENSES	844	881
FINANCIAL PROFIT (LOSS)	4,203	7,861
PRETAX INCOME FROM ORDINARY BUSINESS	4,163	8,128
Non-recurring income from management operations	-	0
Non-recurring income from capital operations	19	18
Write-backs on provisions and expense transfers	-	0
NON-RECURRING INCOME	19	18
Non-recurring expenses on management operations	-	2
Non-recurring expenses on capital operations	8	18
NON-RECURRIN EXPENSES	8	20
NON-RECURRING PROFIT/(LOSS)	11	-2
Statutory employee profit sharing	-	-
Corporate income tax	476	244
TOTAL INCOME	**141,962**	**153,223**
TOTAL EXPENSES	**138,264**	**145,341**
PROFIT/(LOSS)	3,698	7,882

5.2. INFORMATION ON EQUITY INVESTMENTS

COMPANY *(in thousands of euros)*	Capital	Other shareholders' 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					
I – SUBSIDIARIES (More than 50% owned)										
Arondor	234	7,170	50.10%	2,614	2,614	-	-	18,710	631	-
AS International Group	564	16,998	96.98%	12,006	12,006	-	-	6,799	10,939	7,758
Codilog	6,305	16,409	76.57%	5,935	5,935	-	-	33,562	2,673	-
Dataquantic	250	132	60.00%	150	150			1,995	68	-
Edugroupe	4,186	4,349	99.74%	5,247	5,247	-	-	6,991	996	-
Finaxys	438	16,808	76.09%	2,783	2,783	-	-	36,916	1,827	-
Helpline	1,100	96,760	92.77%	5,060	5,060	-	-	158,729	12,741	-
Dragonfly	1,036	14,918	94.07%	5,638	5,638	-	-	1,644	0	-
Karré	220	149	51.00%	112	112	-	-	1,111	174	-
NEURONES Consulting	40	3,675	100.00%	40	40	-	-	0	-16	-
NEURONES IT	33,293	44,216	96.56%	30,012	30,012	-	-	46,954	3,515	-
RS2i	687	18,703	98.94%	8,924	8,924	-	-	16,063	2,400	-
II – EQUITY INVESTMENTS (10 to 50% held)	-	-	-	-	-	-	-	-	-	-
III - OTHER SECURITIES	-	-	-	-	-	-	-	-	-	-
TOTAL				**78,522**	**78,522**	**-**	**-**			**7,758**

* Before distribution but after allocation of 2021 earnings.

6 Combined Shareholders' Meeting on June 2, 2022

6.1. MANAGEMENT REPORT PRESENTED BY THE BOARD OF DIRECTORS

Dear shareholders,

We convened this Combined Shareholders' Meeting pursuant to the legal and statutory provisions to inform you of the Group's business during the past year, to submit for your approval the annual and consolidated financial statements for the year ending December 31, 2021 and the renewal of certain delegations of authority to be given to the Board of Directors, and to inform you of future prospects.

1. CONSOLIDATED FINANCIAL STATEMENTS

Comments on the Group's activity during FY 2021

Since 2005 the consolidated financial statements are presented according to IFRS, pursuant to the provisions adopted by the European Union.

In 2021, NEURONES continued its profitable growth. Revenues amounted to 579.9 million euro, compared with 524.5 million euro the previous year (overall growth of 10.6% and organic growth of 10.1%)

Subcontracting purchases continue to grow faster than revenues. In 2021, they will represent 25.1% of revenues (24.3% in 2020).

Operating profit rose from €51.9 million to €61.6 million. As a percentage, it represented 10.6% of revenues.

Financial profit amounted to €+0.2 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 Group benefited from the reduction in the basic rate of corporate income tax in France (from 28% to 26.5%) and from the reduction in the CVAE (from €5.2 million to €3.1 million). The corporate income tax charge was virtually stable at €18.8 million (compared with €18.6 million the previous year) despite the 15.3% increase in pre-tax income. The average corporate tax rate (corporate income tax + CVAE) is 30.5%.

Net income was €35.0 million (€35 million in 2020).

Net income attributable to owners of the parent (€37.7 million) was up 22% on 2020 (€30.9 million).

Comments on the consolidated financial situation

Assets

Intangible assets were €45.9 million, compared to €43.6 million the previous year. Rights of use (IFRS 16) amount to €33.2 million.

Net property, plant and equipment decreased by €1.5 million to €12.9 million at the end of 2021. This mainly concerns IT equipment related to cloud computing activities and the fitting out of premises.

Financial assets (€8.3 million) are comprised primarily of 1% housing loans and security deposits.

The deferred tax asset amounts to €3.5 million. It is comprised primarily of temporary tax differences.

At €195.8 million, trade and other accounts receivable increased 9.4%. Overall, these accounts receivable and unbilled revenue represent 81 days of turnover (including 14 days for unbilled revenue).

Liabilities

Long-term provisions relate to retirement indemnities, while short-term provisions relate mainly to employee-related risks.

Current and non-current rental debts (IFRS 16) amount to €34.9 million.

The trade and other accounts payable item increased 13% to €169.9 million.

Cash flow

Cash flows from operating activities, after net financial income and taxes, amounted to €60 million in 2021.

The increase in trade payables explains most of the decrease in the operating working capital requirements (-€2 million).

Productive investments (CAPEX) consumed €8.1 million (compared to €7.2 million in 2020). 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 €50.2 million compared with €55.2 million the previous year.

After equity transactions (earn-out payments, exceptional dividend payment of €48.4 million, disposals, share buybacks from minority shareholders in subsidiaries, capital increases, etc.), the Group will used up €1.5 million of cash in 2021, compared to generating €48.1 million in 2020.

At December 31, 2021, cash and cash equivalents (net of borrowing) amounted to €264.6 million (€265.9 million in 2020).

Note on the debt situation of the Company and the Group

The Group has a positive gross cash position of €265.1 million and borrowing of €0.5 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 2021 is in line with this trend (+10.1% organic growth compared to the growth (+4.4%) of the Consulting and IT Services market (source: Numeum - December 2021). The Group's potential is real since its share of the French market is only around 1.6%. Thanks to its "multi-specialist" model and its strong presence in the digital, cloud and cybersecurity segments, NEURONES is expected to grow faster than the market in 2022.

Equity investments, share movements, capital operations and other legal operations

In 2021, NEURONES S.A. carried out the following operations:

- increase of capital (issue of 10,500 new shares) to cover the implementation of plan G for bonus share allocation;
- acquisition of approximately 0.05% of the capital of NEURONES IT from a manager of a subsidiary of the company;
- sale of 8.3% of Karré's capital to the company's Chairman;
- absorption of Pragmateam by universal transmission of assets;
- acquisition of just over 3.6% of Codilog Eliance's capital from two former managers of the company;
- acquisition of approximately 0.02% of the capital of Helpline from a manager of the company.

NEURONES S.A. subsidiaries and sub-subsidiaries carried out the following acquisition and disposal operations in 2021:

- Finaxys sold 7.5% of the capital of its Belgian subsidiary to its local manager;
- Colombus Consulting acquired approximately 0.9% of its own shares from a manager and the company's FCPE;
- Colombus Consulting has acquired the entire capital of its subsidiary Colombus Consulting Shift;
- Finaxys sold its entire majority stake (60% of the capital) in its subsidiary Weefin to one of the entity's managers;
- Helpline acquired approximately 1.3% of Deodis from a former executive;
- Colombus Consulting took a 70% majority stake in the capital of the consulting firm Tempo & Co.

They also carried out the following operations:

- NEURONES IT completed a partial contribution of assets to its subsidiary Scalesquad;
- Arondor made a partial contribution of assets to its subsidiary Arondor Software;
- Mobiapps made a partial contribution of assets to its subsidiary Upgrade;
- Colombus Consulting carried out to its profit the universal transmission of the patrimony of Colombus Consulting Shift;
- Colombus Consulting carried out two capital increases in cash reserved for employees, resulting in the issue of 5,995 new shares and a third capital increase, in order to deliver a bonus share allocation plan resulting in the issue of 800 new shares. As of December 31, 2021, these three transactions represent approximately 1.6% of the capital;
- Iliade Consulting, after having modified the face value of its shares, carried out a capital increase in cash (resulting in the creation of 315 new shares, i.e. 0.5% of the capital) to which five employees of the company subscribed;
- NEURONES IT has carried out two capital increases, one in cash resulting in the creation of 4,395 new shares subscribed by three employees and the other by issuing 14,000 new shares to deliver a bonus share allocation plan. As of December 31, 2021, these two increases represent slightly more than 0.8% of the capital;
- Visian carried out a capital increase in cash (resulting in the creation of 129,649 new shares, i.e. 0.1% of the capital), to which one of the company's executives and two managers subscribed;
- Helpline carried out a capital increase in cash resulting in the creation of 6,682 new shares and another increase to deliver 4,733 bonus shares. These two capital increases represent, as of December 31, 2021, approximately 0.3% of the capital;
- Experteam increased its capital by issuing 43,832 new shares, i.e. less than 0.3% of the capital, allocated to three beneficiaries of a bonus share allocation plan;
- Cloud Temple carried out a capital increase in cash, resulting in the issue of 38,463 new shares, and another capital increase by issuing 212,497 new shares to deliver a bonus share allocation plan. These two increases represent slightly less than 1.9% of the capital at December 31, 2021;
- Upgrade carried out a capital increase in cash by issuing 18,045 new shares subscribed by the two directors of the company and representing slightly more than 5% of the capital.

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 2021 revenues *	Contribution to 2021 operating profit *	Contribution to 2021 net earnings*
Parent company	NEURONES	-	85	-460
Subsidiaries	Arondor	20,571	1,146	978
	AS International Group	45,273	4,555	3,099
	Codilog	53,549	5,526	3,820
	Colombus Consulting	32,106	3,877	2,681
	DataQuantic	1,984	94	68
	Deodis	26,113	2,333	1,620
	Dragonfly	62,029	6,509	4,433
	Edugroupe	9,290	1,840	1,324
	Finaxys	39,511	2,513	1,850
	Helpline	179,529	19,074	13,489
	Karré	1,111	230	174
	NEURONES IT	92,656	10,079	7,197
	RS2i	16,157	3,712	2,667
TOTAL		579,879	61,573	42,940

* After eliminating inter-company flows and including sub-subsidiaries.

2. NEURONES S.A. STATUTORY FINANCIAL STATEMENTS

Comments on the business activity during FY 2021

Revenues amounted to €144.4 million compared to €136.9 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 profit amounts to €267,000. After including the dividends from subsidiaries, financial income was €7.5 million. The Company's net income was a profit of €7.9 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 €21,261,417.49 and a profit for the year of €7,882,205.51, distributable profit stands at €29,143,623.

A motion will be put to the Shareholders' Meeting to distribute a dividend of €1.00/share, namely a total estimated at €24,228,216 (*). The retained earnings account would thus decrease to €4,915,407.

The dividend will be ex-dividend as of June 8 and payable on June 10, 2022.

The amount thus distributed between the Shareholders is fully eligible for the 40% 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:
2018: €0.06 per share,
2019: €0.20 per share,
2021 €2.00 per share,

* Calculated based on the number of shares making up the share capital on December 31, 2021 (i.e. 24,228,216), which will be adjusted if necessary.

3. OTHER FINANCIAL INFORMATION

Subsequent events

No known events at March 9, 2022 had a significant impact on the Group's financial structure.

Vendor payment terms (statutory financial statements)

The vast majority (>95%) of NEURONES S.A. purchases are made with Group companies. At December 31, 2021, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/21 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	84	(6)	24	374	31,526	32,002
Third parties	18	20	1	30	305	374
TOTAL	**102**	**14**	**25**	**404**	**31,831**	**32,376**
Number of invoices concerned	53				2,154	2,207
% of the value of purchases for the year					18.7%	

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, 2021 correspond to disputes.

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
TOTAL	**344**	**41**	**131**	**580**	**29,899**	**30,995**
Number of invoices concerned	91				2,191	2,282
% of the value of purchases for the year					18.5%	

Client payment terms (statutory financial statements)

At December 31, 2021, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/21 by maturity date *(in thousands of euros, taxes incl., excl. unbilled revenue)*	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Third parties	86	486	850	2,160	26,009	29,419
Intra-Group	(8)	0	(29)	107	395	465
TOTAL	(94)	486	821	2,267	26,404	29,884
Number of invoices concerned	396				1,577	1,973
% of the value of sales for the year					15.2%	

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.) that are generally settled amicably.

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., excl. unbilled revenue)*	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
TOTAL	582	740	1,643	1,359	28,331	32,655
Number of invoices concerned	557				1,824	2,381
% of the value of sales for the year					17.2%	

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 2021 decided by NEURONES or its subsidiaries, to the benefit of their employees and company officers.

Attributions of bonus shares of NEURONES

During 2021, the Board of Directors has not decided on any new bonus share allocation plan.

The following table sets out the characteristics of the two bonus share allocation plans with vesting or retention periods as of December 31, 2021.

	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 duration and term	3 years - 9/10/2023	3 years - 9/10/2023
Holding period duration and term	2 years - 9/10/2023	2 years - 9/10/2023
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 12/31/2021	2,500	-
Number of shares in the vesting period at 12/31/2021	-	54,500
Number of shares expired during the vesting period over the year	-	4,000
Number of shares in the vesting period at 12/31/2021	-	50,500
Number of shares in holding period at 12/31/2021	10,500	-
Potential dilution (excluding canceled options) -% of capital at 12/31/2021	-	0.21%

Attributions of bonus shares of companies affiliated with NEURONES

No NEURONES executive officer has ever been granted bonus shares of related companies under the conditions provided for in article L.225-197-2 of the Commercial Code or shares of controlled companies within the meaning of article L.233-16 because of mandates and functions exercised in the company or its subsidiaries.

In FY 2021, nineteen bonus share allocation plans were decided by the chairmen of ten NEURONES related companies. The final allocation of shares at the end of the vesting period is always linked to a condition of presence, i.e. that a beneficiary must have been a permanent employee or corporate officer of the company that allocated the shares or of an affiliated company within the meaning of article L.225-197-1, and sometimes more restrictively within the meaning of 1° of said article. In addition to this presence condition (which applies to all plans), a plan may also be subject to economic performance conditions. In the latter case, the shares definitively allocated to beneficiaries at the end of the vesting period are calculated in relation to the achievement of the performance targets set out in the plan regulations.

The two following tables give details of these nineteen bonus share allocation plans of NEURONES related companies decided in 2021:

	Neurones IT Plan C	Neurones IT Plan D	Neurones IT Plan E	Neurones IT Plan F	Helpline Plan F	Helpline Plan G	Experteam Plan B	Deodis Plan 2021	Visian Plan A	Mobiapps Plan A
Date of the Shareholders' Meeting	5/20/20	5/31/21	5/31/21	5/31/21	5/24/19	5/31/21	5/28/21	5/27/21	6/30/21	5/27/21
Date of attribution by the Chairman	3/1/21	7/9/21	7/9/21	11/9/21	5/31/21	7/7/21	7/2/21	12/13/21	7/9/21	7/9/21
Unit value of a share at the attribution date	€34.13	€34.13	€34.13	€34.13	€39.43	€39.43	€1.78	€44.70	€2.95	€1,414.15
Performance-based plan	-	Yes	Yes	-	-	Yes	-		-	-
Number of bonus shares attributed	2,000	5,400	22,728	2,199	1,000	3,341	16,235	1,797	33,000	60
Percentage of capital as of 12/31/2021	1.48%				0.10%		0.09%	0.38%	2.61%	3.21%
Vesting period term Duration of the period	3/1/21 2 years	7/9/24 3 years	7/9/24 3 years	11/9/23 2 years	5/31/23 2 years	7/7/23 2 years	7/2/23 2 years	12/13/23 2 years	7/9/24 3 years	7/9/24 3 years
Holding period term Duration of the period	N/A -	N/A -	N/A -	N/A -	N/A -	N/A -	N/A -	N/A -	N/A -	N/A -
Total number of beneficiaries	1	3	5	3	1	15	4	6	3	1
Number of beneficiaries who are corporate officers of the company	-	-	-	-	-	1	1	-	1	1
Number of bonus shares attributed to this executive officer or officers	-	-	-	-	-	127	4,998	-	11,000	60
Number of employee beneficiaries of the Company or an affiliated company	1	3	5	3	1	11	3	6	2	-
Number of bonus shares attributed to these employees by category	Managers: 2,000	Managers: 5,400	Managers: 22,728	Managers: 2,199	Managers: 1,000	Managers: 2,689	Managers: 11,327	Managers: 1,797	Managers: 22,000	-
Number of shares granted during the year to each of the ten employees of the company, other than company officers, who received the largest number of bonus shares	Plans C to F Neurones IT: 1-2: 8,233 3: 8,211 4: 2,250 5: 1,800 6: 1,350 7-8: 1,125				Plans F and G Helpline: 1: 1,887 2: 633 3: 334 4: 254 5: 250 6: 127 7: 76 8: 63 9: 26 10: 13		1: 5,618 2: 4,214 3: 1,405	1: 672 2-6: 225	1-2: 11,000	-

	Colombus Plan 2021 (1)	Colombus Plan 2021 (2)	Colombus Plan 2021 (3)	Colombus Plan 2021 (4)	Colombus Plan 2021 (5)	Colombus Plan 2021 (6)	Cloud Temple Plan A	Codilog Plan D	Iliad Consulting Plan 2021
Date of the Shareholders' Meeting	12/4/20	12/4/20	12/4/20	10/8/21	10/8/21	10/8/21	6/30/21	6/1/21	5/26/21
Date of attribution by the Chairman	1/20/21	1/20/21	1/20/21	11/26/21	11/26/21	11/26/21	10/13/21	7/1/21	11/19/21
Unit value of a share at the attribution date	€85.79	€85.79	€85.79	€91.18	€91.18	€91.18	€3.12	€68.16	€257
Performance-based plan	-	-	-	-	-	-	-	-	-
Number of bonus shares attributed	800	3,250	600	2,000	5,295	1,140	153,846	5,533	140
Percentage of capital as of 12/31/2021	3.07%						1.15%	1.32%	0.22%
Vesting period term Duration of the period	1/20/22 1 year	1/20/24 3 years	1/20/25 4 years	11/26/22 1 year	11/26/24 3 years	11/26/25 4 years	10/13/23 2 years	7/1/23 2 years	11/19/22 1 year
Holding period term Duration of the period	1/20/23 1 year	N/A -	N/A -	11/26/23 1 year	N/A -	N/A -	N/A -	N/A -	11/19/23 1 year
Total number of beneficiaries	2	10	8	2	12	11	3	9	9
Number of beneficiaries who are corporate officers of the company	2	-	-	1	-	-	-	1	2
Number of bonus shares attributed to this executive officer or officers	800	-	-	1 600	-	-	-	236	40
Number of employee beneficiaries of the Company or an affiliated company	-	10	8	1	12	11	3	8	6
Number of bonus shares attributed to these employees by category	-	Managers: 3,250	Managers: 600	Managers: 400	Managers: 5,295	Managers: 1,140	Managers: 153,846	Managers: 5,297	Managers: 80
Number of shares granted during the year to each of the ten employees of the company, other than company officers, who received the largest number of bonus shares	Plans 2021 (1) to (6) Colombus: 1-4: 1,000 5: 820 6: 800 7: 750 8: 600 9-10: 400						1-3: 51,282	1: 2,044 2: 2,000 3: 1,000 4: 91 5: 58 6: 44 7: 40 8: 20	1: 20 2-3: 15 4-6: 10

The following are the plans attributed by affiliated companies in years prior to FY 2021 and still in the vesting period at December 31, 2021 (listed in chronological order of the vesting period):

	Deodis Plan 2019	Helpline Plan D 2019	Colombus Plan 2018 (2)	Colombus Plan 2019 (2)	Colombus Plan 2019 (3)	Codilog Plan C 2020	Intrinsec Plan 2020
Date of the Shareholders' Meeting	1/10/19	5/24/19	10/25/18	10/15/19	10/15/19	5/28/20	9/21/20
Date of attribution by the Chairman	1/10/19	5/31/19	10/26/18	12/13/19	12/13/19	9/1/20	9/22/20
Vesting period term	1/10/22	5/31/22	10/26/22	12/13/22	12/13/23	9/1/22	9/22/22
Number of bonus shares attributed	7,721	41,715	2,230	2,000	1,200	1,261	6,637
- of which allocated to the company's corporate officers	3,507	18,915	-	-	-	310	2,107
Total number of beneficiaries	3	17	11	5	10	8	6
- of which to the Company's corporate officers	1	2	-	-	-	1	1
Number of shares expired between the attribution date and December 31, 2021	2,507	1,500	150	-	100	312	-
Number of shares in the vesting period at December 31, 2021	5,214	40,215	2,080	2,000	1,100	949	6,637
Percentage of the company's share capital concerned at December 31, 2021	1.11%	0.91%	0.49%	0.47%	0.26%	0.23%	2.29%

7. TREASURY SHARES - TREASURY STOCK

At December 31, 2021, the company held 3,725 of its own shares, which are included in the balance sheet of its liquidity contract.

8. EMPLOYEE STATUTORY PROFIT SHARING

Employees don't hold any NEURONES 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 4, 2020 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 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.

Based on this authorization, the Board of Directors immediately implemented a buyback program with two objectives:
- support the share price through a liquidity contract concluded with CIC on August 1, 2019
- the subsequent cancellation of the shares purchased, up to a maximum of two million shares at a maximum price of €22 per share.

Between January 1 and June 3, 2021, 46,091 shares were acquired and 49,680 shares sold under this share buyback program to support the share price. At that date, 6,266 shares were recorded in the balance sheet of the liquidity contract for a value of €189,233.

The company did not acquire any shares under the second objective of the program

The Shareholders' Meeting of June 3, 2021 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 features of the authorization given to the Board are:
- term of the authorization: eighteen months from the date of the Shareholders' Meeting (i.e., until December 3, 2022),
- maximum share of capital to be acquired: 10%,
- maximum purchase price: €35 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 4, 2020, with the sole objective of stimulating the market for the company's shares under the liquidity contract entered into with CIC. Between June 4 and December 31, 2021, 49,314 shares were acquired and 51,855 shares were sold through the liquidity contract, so that as of December 31, 2021, the company held 3,725 of its own shares, all of which appear on the liquidity contract's balance sheet at a value of €141,550.

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 2, 2022 (19th 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 €55 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, 2,422,821 shares based on the share capital at December 31, 2021, representing a maximum purchase amount, excluding acquisition fees, of €133,255,155), 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 in the event of any financial transactions by the company or decisions affecting the share capital.

In its report to the Annual Shareholders' Meeting, the Board of Directors will provide shareholders with all information relating to actual share purchases and sales.

This authorization would supersede any previous delegation of authority for the same purpose and would therefore replace that granted by the Shareholders' Meeting of June 3, 2021.

The actual implementation of a share buyback program will be the responsibility of the Board of Directors. In this case, the company will distribute a description of the program, in accordance with the provisions of the AMF's General Regulations in force.

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. Up to 10% of the shares comprising the share capital may be cancelled per twenty-four month period under 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 on September 9 2020.

A proposal will be made to the Shareholders' Meeting of June 2, 2022 to renew the authorization for the Board of Directors to grant a maximum of 240,000 bonus shares, i.e. slightly less than 1% of the capital stock as of December 31, 2021, in accordance with Articles L.225-197-1 et seq.

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

According to the terms mentioned in the Management Report and within chapter 6.3 of the 2019 Annual Financial Report, seven resolutions have been submitted to the Meeting of June 4, 2020 to authorize the Board to increase the capital with different objectives and in different conditions and contexts. These resolutions, which are extraordinary in nature, were approved by the Meeting and are valid for a period of 26 months, i.e. until August 3, 2022.

The delegations granted to the Board by the Meeting of June 4, 2020 related to the following items:

- 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 (19th 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 (20th 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 (21st 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 (23rd 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 (24th resolution).

For each of the issues decided pursuant to the authorizations granted in the 19th, 20th and 21st 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 (22nd 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 (25th resolution):

- the maximum aggregate nominal amount of the capital increases at nine million euros (€9,000,000), it being specified that this ceiling includes, where applicable, the nominal amount 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 amount of marketable debt securities conferring entitlement to the company's share capital at ninety million euros (€90,000,000).

In addition, 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 consequence of the foregoing resolutions, the Board has submitted to the June 4, 2020 Shareholders' Meeting a resolution to carry out a capital increase for which the subscription would be reserved for members of a Company Savings Plan established in accordance with Articles L. 3332-18 et seq. of the French Labor Code This resolution was rejected by the Shareholders' Meeting.

All delegations of authority and powers granted by the General Meeting or the Board of Directors during the year ended and the use that may have been made of them by the Board are indicated in the Corporate Governance Report.

As the Board of Directors wishes to have the possibility of carrying out capital increases in these different contexts, a proposal will be made to the Meeting of June 2, 2022 to renew all the authorizations given by the Meeting of June 4, 2020 under the same terms and conditions.

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 consequence of the resolutions that will be proposed to authorize the Board to increase the capital, the Meeting will also vote on a draft resolution to carry out an increase in the share capital, the subscription of which would be reserved for the members of a company savings plan established in accordance with Articles L. 3332-18 et seq. of the French Labor Code. The Board will therefore submit a resolution to the Meeting authorizing it, for a period of 18 months, to increase, on one or more occasions, the company's capital stock by a maximum nominal amount of €200,000 (i.e., on the basis of the current nominal value of the shares of 0.40 euros, a maximum of 500,000 new shares representing slightly more than 2% of the capital stock on the basis of the number of shares as of December 31, 2021), through the issuance of ordinary shares, reserved for the members of a company savings plan of the company and of the French or foreign companies affiliated with it, under the conditions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code

12. STATUS OF THE CUMULATIVE DILUTION FOR THE DIFFERENT CAPITAL OPERATIONS

	Situation at 12/31/2021	Treasury shares (excluding liquidity contract)	Dilutive instruments stock options	Dilutive instruments bonus shares	Total
Number of shares	24,228,216	-	-	50,500	24,278,716
% dilution	-	-	-	0.21%	0.21%

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 September 30, 2021, Bertrand Ducurtil made a donation of 126,000 shares to his children.

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, 2021, 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)	2017	2018	2019	2020	2021
Capital at year-end					
• Share capital	9,697,545	9,714,345	9,714,345	9,687,086	9,691,286
• Number of common shares outstanding	24,243,862	24,285,862	24,285,862	24,217 716	24,228,216
• Number of preferred shares (without voting rights) outstanding	-	-	-	-	-
• Maximum number of future shares to create					
- by bond conversions	-	-	-	-	-
- by exercising voting rights	-	-	-	-	-
Operations and income for the year					
• Revenues (ex. VAT)	121,718,925	127,544,403	131,828,057	136,879,786	144,443,158
• EBIT, employee profit sharing and allocations to depreciation and provisions	1,388,043	5,809,299	7,484,448	4,232,597	7,865,319
• Corporate income tax	(205,183)	(326,053)	(188,421)	(476,354)	(244,103)
• Employee statutory profit sharing due for the year	-	-	-	-	-
• After tax income, employee profit sharing and allocations to depreciation and provisions	1,158,268	5,727,198	7,231,311	3,698,492	7,882,206
• Income distributed	1,454,632	1,457,152	4,857,172	48,435,432	24,228,216
Earnings per share					
• After tax income, employee profit sharing, but before allocations to depreciation and provisions	0.05	0.24	0.30	0.15	0.31
• After tax income, employee profit sharing and allocations to depreciation and provisions	0.05	0.24	0.30	0.15	0.33
• Dividend attributed to each share	0.06	0.06	0.20	2	1*
Personnel					
• Average number of salaried personnel employed during the year	18	19	18	20	22
• Payroll for the year	1,623,406	1,618,457	1,567,229	1,459,368	1,546,304
• Sums paid for fringe benefits for the fiscal year (Social Security, social services, etc.)	929,774	749,953	684,120	644,368	660,867

* Subject to approval by the Shareholders' Meeting (third resolution) of June 2, 2022.

6.2. REPORT ON CORPORATE GOVERNANCE

This report on corporate governance has been prepared in accordance with the provisions of Articles L.225-37 and L.22-10-8 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 which was last revised in September 2021).

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 holding 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, 2019				Situation at December 31, 2020				Situation at December 31, 2021			
	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
Senior executives												
Host Développement	11,169,013	46%	22,127,696	53%	11,169,013	46.1%	22,327,696	54.6%	11,169,013	46.1%	22,327,696	54.9%
Luc de Chammard and children	4,747,003	19.5%	9,484,006	22.7%	3,863,419	16%	7,726,838	18.9%	3,838,419	15.8%	7,676,838	18.9%
SUBTOTAL JOINTLY CONTROLLED SHARES	15,916,016	65.5%	31,611,372	75.7%	15,032,432	62.1%	30,064,864	73.5%	15,007,432	61.9%	30,004,534	73.8%
Bertrand Ducurtil and children	813,000	3.4%	1,626,000	3.9%	939,000	3.9%	1,728,000	4.2%	939,000	3.9%	1,602,000	3.9%
Other senior executives with registered shares	557,574	2.3%	1,093,148	2.6%	973,484	4%	1,466,968	3.6%	923,584	3.8%	1,371,168	3.4%
SUBTOTAL SENIOR EXECUTIVES	17,286,590	71.2%	34,340,850	82.2%	16,944,916	70%	33,259,832	81.3%	16,870,016	69.6%	32,977,702	81.1%
Employees with registered shares	184,870	0.8%	347,740	0.8%	188,870	0.8%	341,740	0.8%	182,104	0.8%	322,708	0.8%
Treasury shares*	8,991	0%	-	-	9,855	0%	-	-	3,725	0%	-	-
Public**	6,805,411	28%	7,094,133	17%	7,074,075	29.2%	7,294,063	17.9%	7,172,371	29.6%	7,364,765	18.1%
TOTAL	24,285,862	100%	41,782,723	100%	24,217,716	100%	40,885,305	100%	24,228,216	100%	40,665,175	100%

* Within the framework of the liquidity contract.
** Registered shares (other than group executives and employees) and bearer shares.

Share lock-up undertakings/Shareholder agreements/ Jointly controlled shares

Lock-up undertakings

During fiscal year 2021, three share retention agreements for a period of three years from July 2021 were entered into in accordance with Article 787B of the French General Tax Code.

The signatories of the first commitment, which covers 10,126,005 shares, are Host Développement, Luc de Chammard, Bertrand Ducurtil and his children.

The two other collective commitments were entered into between Host Développement, Bertrand Ducurtil, Luc de Chammard and his children and concern 12,669,018 and 13,169,018 shares respectively.

Shareholder agreements

None.

Jointly controlled shares

Luc de Chammard, his children and Host Développement (100% owned by Luc de Chammard 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 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 Replaced by the authorization granted by the Ordinary Shareholders' Meeting of 6/3/2021	10% of the total number of shares. Maximum purchase price: €27. 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.
OSM of 03/06/2021 (ordinary resolution): Company acquisition of its own shares (article L.22-10-62 of the French Commercial Code)	18 months - 12/2/2022	10% of the total number of shares. Maximum purchase price: €35. Proportion of shares given as payment for acquisitions limited to 5% of the share capital	Share price support: between June 4 and December 31, 2021, 49,314 shares were acquired and 51,855 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	Not used
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.	Delivery of the G plan of bonus share allocation on June 15, 2021: issue of 10,500 new shares.
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
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

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): 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	Attribution of 54,500 bonus shares in September 2020

All of the resolutions are available on the company website (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 Chammard President and CEO	No	December 5, 1984*	SM of June 2, 2022
Bertrand Ducurtil Executive Vice-President	No	June 30, 1999	SM of June 2, 2022
Jean-Louis Pacquement	Yes	December 5, 1984*	SM of June 2, 2022
Hervé Pichard	No	October 15, 2004	SM of June 2, 2022
Marie-Françoise Jaubert	Yes	June 9, 2011	SM of June 2, 2022
Host Développement SAS, represented by Daphné de Chammard	No	June 9, 2016	SM of June 2, 2022
Emmanuelle Canza, representing employees	No	June 7, 2019	SM called to approve the accounts for the year ending December 31, 2023

* NEURONES' founding date.

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, executive officers, customers, suppliers or auditors of the company or of a group company, and have no family ties to a corporate officer or a reference shareholder. Lastly, they are not themselves majority shareholders of the Company. Therefore, no financial, contractual or family relationship is likely to alter the independence of their judgment.

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, 2021. 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. The term of office of this director is three years, tacitly renewable once for the same period, unless the Group Works Council decides not to renew it. It must then appoint a new director at the end of the Shareholders' Meeting called to approve the accounts for the previous financial year and held in the year in which the first three-year period expires.

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 Chammard, born on September 16, 1954

- Other offices held outside the Group:
  - Chairman and member of the Supervisory Board: 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 Chammard, born on March 17, 1949.

- Other offices held outside the Group:
  - Chief Executive Officer and member of the Supervisory Board: Host Développement.

Experience of Board members (excluding senior executives)

Marie-Françoise Jaubert has proven experience in law and more specifically in private law. Daphné de Chammard (representing Host Développement SAS and spouse of Luc de Chammard) 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 four times in 2021:

Date	Agenda
March 3	• Audit Committee Report • Related-party agreements • Approve the corporate and consolidated financial statements for fiscal year 2020 • Compensation of the CEO and the Executive Vice-President • Management report and corporate governance report • Resolutions to be submitted to the next General Meeting and convening of the latter • Various questions
June 3 (at the end of the Shareholders' Meeting)	• Renewal of the mandate of the Chairman of the Board and determination of his powers • Renew the Executive Vice-President's term of office. • Compensation of the CEO and the Executive Vice-President. in view of the vote of the Shareholders' Meeting • Launch of a share buyback program. • Capital increase linked to the delivery of plan G for the allocation of bonus shares • Opportunities and strategy for external growth • Various questions
September 6	• Close the half-year consolidated financial statements • Professional and salary equality policy • Various questions
December 9	• Measures and procedures to prevent and detect cases of corruption or influence peddling • Review potential conflicts of interest • Risk mapping review • Various questions

In 2021, the attendance rate of the members of the Board of Directors was 86%.

Operation

Almost two-thirds of the capital and three-quarters of the voting rights are represented by two directors, who are also operational managers. 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.

In practice:

- 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,
- the power of oversight is exercised as described in this chapter and the Board's rules of procedure,
- the Board's rules of procedure, initially adopted in June 2010 and updated in September 2016, were revised again in March 2022. Signed by the members of the Board, it complies with the recommendations of the MiddleNext Code in this area. It provides a precise reminder of

the role and missions of the Board and the specialized Committees, the ethical standards to be respected by the directors and the operating procedures of the Board to ensure compliance with the principles of good governance. It is published on the company's website.

To date there is no formal self-assessment of the Board's work. Nevertheless, the members of the Board are keeping the subject in mind and are not giving up on using it in the long run.

Two specialized committees (Audit and Ethics and Compliance) have been set up in accordance with legal and regulatory requirements. Their role is outlined below and in the Board's rules of procedure. It should be noted that, unlike the Audit Committee, which is composed exclusively of Board members, the Ethics and Compliance Committee has not been set up within the Board, since its members are not Directors.

There are no plans to set up other specialized committees (compensation, strategy, etc.). The Board considers that, given the collegial nature of decision-making, the still modest size of the Group, its highly decentralized structure, the geographical proximity of the main subsidiaries, the fact that the directors have a stake in the company, the operational role of two of the six Board members and their high overall shareholding, the creation of committees reporting to the Board, with the exception of the Audit Committee and the Ethics and Compliance Committee, would have more disadvantages than advantages. More specifically, as regards the establishment of a specialized CSR committee recommended by the MiddleNext Code, this essential issue is taken seriously and managed directly by the operating subsidiaries. It should be noted that a Sustainable Development Committee, under the responsibility of the Chief Financial Officer, has been leading the Group's CSR approach since 2012. Its precise role is defined in Chapter 2 of this document. Although no specialized CSR committee has been set up within the Board, the Sustainable Development Committee fulfills this role to the full, in particular by making it possible to select projects, monitor results and share best practices among subsidiaries that have their own approach to Corporate Social Responsibility.

Without prejudice to the reasons mentioned above, the Board does not exclude the creation of an ad hoc, temporary or permanent specialized committee, should the company's current situation so warrant.

The members of the Board, "persons discharging managerial responsibilities" within the meaning of the European Market Abuse Regulation, as well as "persons closely linked to them", are subject to the legal provisions and the recommendation of the AMF on the subject. Directors must refrain from trading, for their own account or for the account of third parties, during a so-called "blackout period" or "negative window" starting 30 calendar days before the publication of the annual and half-yearly results press release. A 15-day cooling-off period before the publication of the quarterly information must also be observed by the directors. Each member of the Board must, at all times, strictly refrain from carrying out transactions if he or she is in possession of privileged information. No other negative or positive windows have been defined by the company. Directors are clearly informed of their obligation to report to the AMF any transactions carried out, when their total amount exceeds €20,000 over the calendar year, and to notify the company of this report.

Each director has undertaken, in particular through the Board's internal regulations, to inform the Chairman of any conflict of interest situation in which he or she may find himself or herself. Before each Board meeting, depending on the agenda, each member must declare any conflicts of interest and refrain from participating in the vote during any deliberation directly or indirectly concerning a conflict of interest and even from attending the debates. In any event, the Board shall make all reasonable inquiries and take action proportionate to the situation (clear statement of reasons, removal of the member concerned from the meeting to ensure that the decision is in the best interests of the company). These measures allow for both the protection of the individual interest of each Board member and the strengthening of the Board's authority. An annual procedure for disclosing and monitoring conflicts of interest has been put in place, with the subject being placed on the agenda of a meeting each year. On this occasion, the various situations that may lead to a conflict of interest are recalled and each director must confirm that he or she is not in such a potential or actual situation. In this case, the Board shall establish a follow-up procedure.

Apart from certificates and services rendered in application of legal or regulatory texts, no services other than the certification of accounts have been entrusted to the company's statutory auditors.

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 twice in 2021, with both members present. The Board followed their recommendations. Concerning the statutory auditors' supplementary report for FY 2021, 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,
- ensure the relevance, consistency and reliability of the company's accounting policies, including a review of any changes to those policies,
- 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,
- examine significant risks and off-balance sheet commitments, assess any weaknesses and inform the Board if necessary,
- issue a recommendation on the statutory auditors proposed for appointment by the Shareholders' Meeting or in the event of a proposal to renew their mandate,
- 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,
- ensure that statutory auditors comply with the legal and regulatory provisions relating to the incompatibilities of the profession, and in particular with rotation obligations,
- 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,
- ensure that independent directors receive no compensation other than that provided for in respect of their duties as directors,
- 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:
- on the one hand, to outside directors, who have several days before the Board meeting to ask the other two directors or the financial department any questions they may have. 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 accordance with Law 2016-1691 of December 9, 2016 on transparency, combating corruption and modernizing economic life (known as the Sapin II Law), in 2017 the Board approved measures and procedures to be implemented within the Group to prevent and combat corruption and influence peddling.

In particular, the Board approved the creation of an Ethics and Compliance Committee, composed of the General Counsel and the Group Chief Financial Officer and chaired by the latter. This Committee is therefore not established within the Board. Its mission is to receive reports from Group employees, customers, subcontractors and suppliers 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 its role of processing 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 an annual report to the Board on any difficulties encountered in implementing the measures and any alerts it may have received. In 2021 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 of Directors whenever the situation warrants.

Related-party agreements

During fiscal year 2021, 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 2021.

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 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, if any, directly or indirectly interested in any of them, do not participate in the discussion. If the Board considers that an agreement is not or is no longer free, 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 not regulated within the meaning of 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.

Depending on the configuration and the amounts involved, the Board may decide that an independent expert opinion is appropriate.

4. CORPORATE OFFICERS' COMPENSATION AND BENEFITS

In accordance with legal and regulatory provisions, the Shareholders' Meeting must vote ex ante on the compensation policy, presented below, for company officers, whether or not they are executives.

In accordance with Article L.22-10-34 of the French Commercial Code, the remuneration of company officers is also subject to an ex post vote by the Meeting on the information relating to the remuneration referred to in I of Article L.22-10-9. This information is also presented in this chapter.

Lastly, the compensation paid or awarded to the Chairman and Chief Executive Officer during or in respect of fiscal year 2021 is subject to an ex post vote by the Meeting on the basis of a specific resolution. The same applies to the Executive Vice-President.

Compensation policy applicable to corporate officers, subject to an ex ante vote by shareholders at the Shareholders' Meeting of June 2, 2022 (Article L.22-10-8 of the French Commercial Code)

This section sets out the compensation and benefits of any kind attributable to the Directors, the Chairman and Chief Executive Officer 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 the issue is placed on the agenda of an annual Board meeting to disclose potential or actual conflicts of interest.

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, each year a global sum is submitted to the Shareholders' Meeting for approval. For fiscal year 2022 the proposed amount, identical to that proposed and approved for 2021, is €20,000.

Each member's share will be paid at the end of the fiscal year. It does not, of course, include the compensation paid to executive company 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 expenses incurred in the exercise of their mandate.

Senior executives' compensation

The executive compensation policy, which is subject to approval by the Shareholders' Meeting of June 2, 2022, is consistent with that approved by the Shareholders' Meeting of June 3, 2021.

Each executive (Chairman and Chief Executive Officer and Executive Vice-President) is to receive a fixed cash amount of two hundred and forty thousand euros per year in 2022, divided into twelve monthly payments 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.

The reasonableness of these measures is in the social interest. 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 Chammard Chairman and CEO	Bertrand Ducurtil Executive Vice-President	Jean-Louis Pacquement	Hervé Pichard	Marie-Françoise Jaubert	Host Développement SAS, represented by Daphné de Chammard	Emmanuelle Canza (representing employees)
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 compensation linked to his mandate
Variable compensation	No	No	Paid at the same time as the fixed compensation	Paid at the same time as the fixed compensation	Paid at the same time as the fixed compensation	Paid at the same time as the fixed compensation	No compensation linked to his mandate
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 2, 2022	1 year/SM of June 2, 2022	1 year/SM of June 2, 2022	1 year/SM of June 2, 2022	1 year/SM of June 2, 2022	1 year/SM of June 2, 2022	6 years*/until 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

* As designated by the Group Committee.

Report on compensation (Article L.22-10-9 of the French Commercial Code)

Directors' compensation

Apart from their remuneration for their activity on the Board, non-executive directors do not receive any special benefits from the company or from a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code.

As the composition of the Board complies with the provisions of Article L.225-18-1 of the French Commercial Code on gender balance, the provisions of the second paragraph of Article L.225-45 of the French Commercial Code, which provide for the suspension of the payment of directors' compensation, did not apply during fiscal year 2021.

The members of the Board have been remunerated for fiscal year 2021 in accordance with the remuneration policy for corporate officers approved by the General Meeting. The total remuneration paid to the directors amounted to €17,500 (€18,500 in the previous year).

The remuneration paid to each member of the Board for the exercise of his or her mandate in 2021 is as follows (with information for the previous year):

	Hervé Pichard		Jean-Louis Pacquement		Marie-Françoise Jaubert		Host Développement	
(in euros)	2020	2021	2020	2021	2020	2021	2020	2021
Fixed remuneration	3,000	3,000	3,000	3,000	2,000	2,000	2,000	2,000
Variable compensation	2,500	2,000	2,000	2,000	1,500	1,500	2,500	2,000
TOTAL	5,500	5,000	5,000	5,000	3,500	3,500	4,500	4,000

Compensation paid or attributed during or for fiscal year 2021 to executive corporate officers, benefits and other commitments

Executive compensation paid or awarded during or in respect of fiscal year 2021 is in line with the policy approved by the Shareholders' Meeting of June 3, 2021 and contributes to the company's long-term performance

During FY 2021, 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 granted to each executive director in respect of fiscal year 2021 are as follows, with the elements for the previous fiscal year as a reminder:

	Luc de Chammard Chairman and CEO		Bertrand Ducurtil Executive Vice-President	
(in euros)	2020	2021	2020	2021
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
TOTAL	220,000	220,000	220,000	220,000

All compensation due for FY 2021 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. In accordance with the recommendation of the Middlenext Code on the definition and transparency of the compensation of executive directors, which was reinforced at the time of the revision of the said Code in 2021, ratios are added to establish a comparison with the minimum wage, an independent reference value common to all companies.

The Board has chosen to consider all employees of the Company and its subsidiaries, in France and abroad. Employee remuneration includes the fixed and, where applicable, the variable portion, but does not take into account any profit-sharing or incentive bonuses or benefits in kind.

(in thousands of euros)	2017	2018	2019	2020	2021
NEURONES' performance					
Net profit – Group share	27,310	25,959	30,799	30,918	37,700
Change	*+ 8.4%*	*- 4.9%*	*+ 18.6%*	*+ 0.4%*	*+ 21.9%*
Minimum wage					
Gross annual minimum wage	17.8	18	18.3	18.5	18.8
Change	*+ 0.9%*	*+ 1.2%*	*+ 1.5%*	*+ 1.2%*	*+ 1.6%*
Employee compensation					
Average compensation	39	38.9	39.2	39.5	39.6
Change	*+ 2.4%*	*- 0.3%*	*+ 0.8%*	*+ 0.8%*	*+ 0.3%*
Median compensation	35.95	36.1	36.25	36.5	36.2
Change	*+ 2.9%*	*+ 0.4%*	*+ 0.4%*	*+ 0.7%*	*- 0.8%*
Chairman and CEO					
Compensation	200	220	220	220	220
Change	*0%*	*+ 10%*	*0%*	*0%*	*0%*
Ratio/average compensation of employees	5.13	5.66	5.61	5.57	5.56
Ratio/median compensation of employees	5.56	6.09	6.07	6.03	6.08
Ratio/Minimum wage	11.26	12.23	12.05	11.91	11.73
Executive Vice-President					
Compensation	200	220	220	220	220
Change	*0%*	*+ 10%*	*0%*	*0%*	*0%*
Ratio/average compensation of employees	5.13	5.66	5.61	5.57	5.56
Ratio/median compensation of employees	5.56	6.09	6.07	6.03	6.08
Ratio/Minimum wage	11.26	12.23	12.05	11.91	11.73

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 22 recommendations, revised in September 2021:

MiddleNext Code recommendation	Compliance	Application procedures or reasons for non-application
R1: Director ethics	Y	The members of the Board respect all the rules of ethics listed in the recommendation.
R2: Conflicts of interest	Y	The recommended actions and procedures are followed by the Board and its members.
R3: Composition of the Board of Directors – Presence of independent members	Y	The Board has two members who are presumed to be independent in accordance with the criteria set out in the Code (see section "Composition and independence" of paragraph 3 of the Corporate Governance Report).
R4: Board member information	Y	Before holding a Board meeting, the Company 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.
R5: Training of Board members *New recommendation*	N	Although the Board has not yet implemented a training plan for its members, it does not rule out the possibility of doing so as soon as the need is identified. It should be noted that each director has proven experience in his or her field of specialization and, in addition, often long-standing knowledge of the Group and its business sector.
R6: Organization of Board meetings and committees	Y	The frequency and duration of Board meetings and committees allow for review and discussion of the topics on the agenda. When a meeting is held to review the interim or annual financial statements, the physical presence of the Directors is required. Some of the other sessions (out of a total of at least four meetings per year) are held by videoconference, which is now a proven practice for Board members. Information on the meetings and composition of the Board is published in the Corporate Governance Report.
R7: Creation of committees	Y	Given the organization of the Group, an Audit Committee has been set up with qualified directors, while an Ethics and Compliance Committee has members who are not members of the Board and who can be called upon more naturally when necessary.
R8: Establishment of a specialized CSR committee *New recommendation*	N	The Sustainable Development Committee (see section "Operation" of paragraph 3 of the Corporate Governance Report), adapted to the size and organization of the Group, currently fulfills, and has for years, the role of reviewing CSR objectives and actions. Thus, no specialized committee has been set up within the Board.
R9: Introduction of Board rules of procedure	Y	The Board's rules of procedure, which were last revised on March 9, 2022, are consistent with the recommendation. It is available on the company's website.
R10: Selection of each Board member	Y	Detailed information on candidates for appointment or reappointment as directors is readily available to shareholders. They are posted on the company's website prior to the Shareholders' Meeting and are also included in paragraph 3 of the Corporate Governance Report (chapter 6.2) of this document.
R11: 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.
R12: Remuneration of the Board member for his mandate	Y	The thirteenth resolution of the next Shareholders' Meeting, called to approve the 2021 financial statements, provides for a global envelope for the remuneration of directors. This sum will be allocated in accordance with the remuneration policy, which defines objective allocation criteria and takes into account, in particular, the attendance and investment of each Board member.
R13: Introduction of Board evaluation	N	To date, there has been no formal self-evaluation of the Board's work, although the idea of doing so in the future has not been ruled out.
R14: Relationship with shareholders	Y	With the two directors holding more than three quarters of the voting rights, the approval rates for resolutions are very high (between 94% and 100% in 2021). Nevertheless, negative votes are investigated. In addition to professional meetings (investor fairs, presentations to analysts, etc.), which allow professionals to perfect their knowledge of the company, the managers communicate with shareholders who wish to do so, to provide them with any clarification deemed useful. All exchanges respect the equality of information of the shareholders.
R15: Diversity and Equity Policy *New recommendation*	Y	Given the small number of employees within the parent company and the organization of the group, the provisions concerning diversity, equity and the challenges in this area are located at the level of the subsidiaries. The policies implemented and the results are partially and notably indicated in the "Diversity and inclusion" section of paragraph 2.4 of the Statement of Non-financial Performance (CSER report).
R16: Definition and transparency of the compensation of executive corporate officers	Y	The compensation policy for executive directors is based on the principles of comprehensiveness, balance and measurement, and consistency with market and Group practices, as well as with the company's performance. There are no variable elements in the remuneration of executives. Annual information to shareholders on this subject is totally transparent. The equity ratios, already published, have been supplemented by an equity ratio allowing comparison with the minimum wage. All information is presented in paragraph 4 of this corporate governance report.
R17: Preparation for the succession of executive officers	Y	The procedures for the succession of senior executives, the Chairman and Chief Executive Officer and the Executive Vice-President, are set out in the Board's internal regulations. The subject is regularly discussed by the Board.
R18: Corporate officers and employment contracts	Y	No employment contracts given to serving corporate officers.
R19: Golden handshakes	Y	No severance or non-competition payments.
R20: Supplementary retirement schemes	Y	No supplementary retirement schemes
R21: 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.
R22: Review of crucial points to monitor	Y	At the meeting of September 9, 2020, the members of the Board expressly confirmed that they were aware of, had reviewed and adhered to the points of vigilance of the MiddleNext Code, which had previously been communicated to them. The Directors were again invited in March 2022 to review these items, which have undergone some changes following the September 2021 revision of the above-mentioned Code.

6.3. DRAFT RESOLUTIONS

The resolutions presented below were approved by the Board of Directors on March 9, 2022 and will be submitted to the Shareholders' Meeting on June 2, 2022. 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.

COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

Presentation and explanatory statement - 1st and 2nd resolution
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, 2021 and as presented in the "Consolidated financial statements" and "Corporate financial elements" sections of the 2021 Universal registration document.

First resolution

Approval of the consolidated financial statements

The Shareholders, after having reviewed:
- the management report,
- the corporate governance report, and
- the Statutory Auditors' report on the consolidated financial statements,

1) approve the consolidated financial statements for the year, showing a net profit (Group share) of €37.7 million,
2) approve, in addition, all the transactions and measures reflected in those financial statements or summarized in the Board of Directors' management report.

Second resolution

Approval of the Company financial statements

The Shareholders, after having reviewed:
- the management report,
- the corporate governance report, and
- the Statutory Auditors' report on the Company's financial statements,

1) approve the financial statements for the Company's financial year, showing a net profit of €7.9 million,
2) approve, in addition, all the transactions and measures reflected in those financial statements or summarized in the management report.

Presentation and explanatory statement - 3rd resolution
With this third resolution, the Board of Directors, after noting the distributable profit for fiscal year 2021, proposes that shareholders approve the distribution of a dividend of €1 per share. The difference between the dividend calculated based on the number of shares composing the capital at December 31, 2021 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 €21,261,417.49 and a profit for the year of €7,882,205.51, distributable profit stands at €29,143,623.

The Shareholders decide to distribute a dividend of €1 per share, i.e. a total of €24,228,216*. Following this, retained earnings would amount to €4,915,407.

* Calculated based on the number of shares making up the share capital on December 31, 2021 (i.e. 24,228,216), which will be adjusted if necessary.

The dividend will be ex-dividend as of June 8 and payable on June 10, 2022.

The amount thus distributed between the Shareholders is fully eligible for the 40% allowance provided for in Article 158(3)(2°) of the French General Tax Code.

As required by law, the dividends distributed over the past three years are noted:
2018: €0.06 per share,
2019: €0.20 per share,
2020: €2 per share.

Presentation and explanatory statement - 4th resolution
The Board of Directors carried out a review of 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. This review showed that no new regulated agreement was concluded during the year 2021. 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 note that the Statutory Auditors' special report on the agreements and commitments referred to in Article L. 225-38 et seq. of the French Commercial Code does not mention any new agreements.

Presentation and explanatory statement - 5th resolution
The Board of Directors proposes to the Shareholders' Meeting to approve its management during the 2021 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 give the Board of Directors full, final and unconditional discharge for its management as at December 31, 2021.

Presentation and explanatory statement - 6th to 11th 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 2, 2022, 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 decide to renew the term of office of Mr. Luc de Chammard as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, who has declared that he accepts the renewal of his office.

Seventh resolution

The Shareholders decide to renew the term of office of Mr. Bertrand Ducurtil as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, who has declared that he accepts the renewal of his office.

Eighth resolution

The Shareholders decide to renew the term of office of Mrs. Marie-Françoise Jaubert as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, who has declared that she accepts the renewal of her office.

Ninth resolution

The Shareholders decide to renew the term of office of Mr. Jean-Louis Pacquement as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, who has declared that he accepts the renewal of his office.

Tenth resolution

The Shareholders decide to renew the term of office of Mr. Hervé Pichard as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, who has declared that he accepts the renewal of his office.

Eleventh resolution

The Shareholders decide to renew the term of office of Host Développement SAS, represented by Mrs. Daphné de Chammard, as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, which has declared that it accepts the renewal of its office.

Presentation and explanatory statement - 12th 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 2021 Universal Registration Document.

Twelfth resolution

Approval of the compensation policy applicable to corporate officers ("say on pay" *ex ante*)

The Shareholders, having reviewed the Board of Directors' corporate governance report, approve, pursuant to Article L. 22-10-8(II) of the French Commercial Code, the compensation policy applicable to corporate officers, as presented in the "Compensation policy applicable to corporate officers" section in the "Compensation and benefits of corporate officers" chapter of the Corporate Governance Report of the 2021 Universal Registration Document.

Presentation and explanatory statement - 13th 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 Meeting a resolution to set an annual ceiling amount for the remuneration of the directors for the year 2022. 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, after having reviewed the Corporate Governance Report, decide to set, for 2022, 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 a whole to compensate their work, at €20,000 (twenty thousand euros).

Presentation and explanatory statement - 14th 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. This includes information concerning compensation paid and benefits granted, where applicable, to the various corporate officers, in application of the compensation policy and detailed in the Corporate Governance Report (pages 115 to 118).

Fourteenth resolution

Approval of information relating to the compensation of corporate officers ("say on pay" *ex post*)

Pursuant to Article L. 22-10-34(I) of the French Commercial Code, the Shareholders approve the information referred to in Article L. 22-10-9(I) of the same Code, set out in the "Report on compensation" section in the "Compensation and benefits of corporate officers" chapter of the Corporate Governance Report of the 2021 Universal Registration Document.

Presentation and explanatory statement - 15th and 16th 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*)

Pursuant to Article L. 22-10-34(II) of the French Commercial Code, the Shareholders approve the components of the total compensation and benefits of any kind paid during or awarded for the year ended December 31, 2021 to Mr. Luc de Chammard, as presented in the “Compensation paid or awarded during or for 2021 to executive officers, benefits and other commitments” in the “Report on compensation” section in the “Compensation and benefits of corporate officers” chapter of the Corporate Governance Report of the 2021 Universal Registration Document.

Sixteenth resolution

Approval of the compensation of the Executive Vice-President (“say on pay” *ex post*)

Pursuant to Article L. 22-10-34(II) of the French Commercial Code, the Shareholders approve the components of the total compensation and benefits of any kind paid during or awarded for the year ended December 31, 2021 to Mr. Bertrand Ducurtil, as presented in the “Compensation paid or awarded during or for 2021 to executive officers, benefits and other commitments” paragraph in the “Report on compensation” section in the “Compensation and benefits of corporate officers” chapter of the Corporate Governance Report of the 2021 Universal Registration Document.

Presentation and explanatory statement - 17th resolution
The Shareholders' Meeting of June 3, 2021 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 2021 Universal Registration Document.

As the company wishes to retain the opportunity to purchase its own shares, it is proposed that the Meeting renew the authorization given to the Board, which may pursue the three objectives listed in Article 5 of the European Market Abuse Regulation (MAR), as well as the stimulation of the share price through a liquidity contract, a market practice introduced by the AMF pursuant to Article 13 of MAR. The proposed terms and conditions will be identical to the authorization currently in force and granted by the General Meeting of June 3, 2021, with the exception of the maximum purchase price per share, which is proposed to be set at €55.

For information purposes, it is specified that, based on the share capital at December 31, 2021 (comprising 24,228,216 shares), the maximum number of shares that may be purchased by the company is 2,422,821, representing a maximum purchase amount of €133,255,155. 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 2021, reducing the capital by cancelling 68,146 shares.

Seventeenth resolution

Company buy-back of its own shares (valid for 18 months)

Pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code, the Shareholders, after having reviewed the Board of Directors' management report, authorize the Board of Directors, for a period of up to 18 months from the date of this Meeting, to purchase the Company's own shares in order to:
1) subsequently cancel them,
2) cover:
   a. stock option plans and other forms of allotting shares to employees and/or to corporate officers of the Group, especially for Company profit-sharing schemes, a company savings plan or an allotment of bonus shares,
   b. financial instruments carrying a right to an allotment of shares in the Company,
3) simulate the share price through an Investment Service Provider via a liquidity agreement complying with the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets),
4) hold purchased shares for subsequent use in exchange or as payment for an acquisition.

The shares may be bought back through market transactions or by purchasing blocks, without any specific limitation for such block acquisitions.

The maximum price at which the shares may be acquired is set at €55 (excluding acquisition costs) per share.

The number of shares that can be purchased by the Company in this manner is limited to 10% of the Company's share capital, it being specified that the number of shares acquired for subsequent use in exchange or as payment for an acquisition is limited to 5% of the share capital.

The Shareholders grant full powers to the Board of Directors, with the right to sub-delegate, to place all stock market orders, conclude all agreements, make all statements and perform all formalities with all organizations and, in general, do everything necessary.

The Shareholders note that this authorization supersedes any previous authorization given for the same purpose.

COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Presentation and explanatory statement - 18th resolution

The Board wishes to retain the possibility of granting bonus shares, considering that this system makes it possible to strengthen the motivation and loyalty of beneficiaries by associating them directly with the company's performance. The authorization currently in effect is the one given by the Meeting of June 4, 2020 and expires on June 3, 2022. The Board made use of it in September 2020 by attributing 54,500 bonus shares (plan H).

In view of the severe pressure on the recruitment of key managers and executives, it is now proposed to the Meeting of June 2, 2022 to renew this authorization with the possibility of granting up to 240,000 bonus shares representing slightly less than 1% of the capital as of December 31, 2021.

The Board of Directors shall report to the shareholders in a special report containing the information specified in Article L.225-197-4 of the French Commercial Code, on the allocation of bonus shares.

Eighteenth resolution

Bonus share allotments (valid for 24 months)

The Shareholders, after having reviewed the management report and the Statutory Auditors' special report, in accordance with Article L. 225-197-1 et seq. of the French Commercial Code, authorize the Board of Directors to allot bonus shares from existing shares or shares to be issued by the Company, via one or more allotments, to members of the salaried personnel of the Company or affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code and to corporate officers of the company or affiliated companies, in compliance with the provisions of Article L. 225-197-6.

Whenever shares to be issued are allotted, the Shareholders delegate to the Board of Directors all necessary powers to decide one or more increases in share capital (by capitalizing additional paid-in capital, reserves, profit or any other items available for capitalization under the applicable provisions of the law and the bylaws) as required for the bonus allotments of new common shares issued by the Company.

No more than 240,000 common shares may be allotted as a bonus allotment under this authorization, representing slightly less than 1% of the Company's share capital on December 31, 2021.

The minimum vesting period is set at two years. The Board of Directors will determine, at the time of each allotment, the vesting period after which the allotment of common shares will vest in the holder. This period may not be less than the two-year period set in this authorization. However, the shares allotted will vest in beneficiaries before the end of the vesting period in the event that the beneficiary is affected by a disability falling within the second or third categories provided for in Article L. 341-4 of the French Social Security Code.

No minimum lock-up period has been set by the Shareholders. The Board of Directors will determine, where appropriate, at the time of each allotment, the relevant lock-up period commencing on the date on which the common shares vest. During the lock-up period, if any, the shares will be freely transferable if the beneficiary is affected by a disability falling within the above-mentioned categories of the French Social Security Code.

The Shareholders note that whenever shares to be issued are allotted, this authorization entails, for the benefit of the beneficiaries of the bonus shares, a waiver by the Shareholders of their preemptive subscription rights and, more generally, any right to the bonus allotment of common shares or the fraction of the reserves, profit or additional paid-in capital to be used, where applicable, to increase the share capital on the basis of this authorization.

The Shareholders grant full powers to the Board of Directors, subject to the limits set out above, to implement this authorization and, in particular, to:
- allot bonus shares,
- determine the conditions and, where applicable, the criteria for allotting common shares and, in compliance with the applicable legal provisions, the dates on which the bonus shares will be allotted,
- determine the identity of the beneficiaries, the number of bonus common shares to be allotted to each of them, how the shares will be allotted and, in particular, the vesting period and, where applicable, the lock-up period for the shares thus allotted,
- decide any adjustments, on the terms it determines, during the vesting period for the bonus shares, to take into account the impact of transactions involving the Company's share capital and, in particular, determine how the number of common shares allotted will be adjusted,
- determine the terms and conditions of any issues to be carried out under this authorization, in particular the date on which the holders of new shares will be entitled to receive dividends, and
- more generally, with the right to sub-delegate in accordance with the applicable legal provisions, conclude any agreements, produce all documents, record increases in share capital reflecting the vesting of the relevant shares, amend the bylaws accordingly, where necessary, apply for the admission of the new shares for listing, perform all formalities and, more generally, do everything necessary.

The Board of Directors will inform the Shareholders at a Shareholders' Meeting each year of the allotments made under this resolution in accordance with Article L. 225-197-4 of the French Commercial Code.

The Board of Directors may use this authorization, via one or more allotments, for 24 months from the date of this Meeting.

The Shareholders note that this authorization supersedes the unused portion of any previous authorization given for the same purpose.

Presentation and explanatory statement - 19th resolution

The Board of Directors wishes to ask the Shareholders' Meeting to renew the authorization allowing it to:
- issue, with preferential subscription rights, ordinary shares or ordinary shares giving entitlement to the allocation of other ordinary shares or debt securities,
- increase the capital by incorporation of reserves, profits or premiums or by increasing the face value of the shares or by a combination of both.

This delegation also authorizes the Board to issue securities giving immediate or future access to ordinary shares of the company to be issued, which may be subscribed for in cash or by offsetting debts.

The maximum nominal amount of the share capital increases that may be carried out pursuant to this delegation may not exceed €9 million. The nominal amount of debt securities that may be issued may not exceed €90 million. These amounts are to be deducted from the overall ceilings proposed in the 25th resolution.

The Board will determine, if necessary, the terms and conditions of the issues as well as the form and characteristics of the shares and/or securities giving access to the capital.

The previous authorization for the same purpose, granted by the Shareholders' Meeting of June 4, 2020 and expiring in August 2022, was used once by the Board, in June 2021, in connection with the delivery of a bonus share allocation plan.

Nineteenth resolution

Increase in share capital by issuing common shares, with the Shareholders' preemptive subscription rights maintained, and/or by capitalizing reserves, additional paid-in capital or profit (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' management report, pursuant to the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-50 and L. 228-91 to L. 228-97 of the French Commercial Code:

- delegate to the Board of Directors their authority to increase the share capital, via one or more increases, in the proportions and at the times it deems fit, both in France and abroad:
  - by issuing, with the Shareholders' preemptive subscription rights maintained, free of charge or against payment, common shares, common shares carrying a right to an allotment of other common shares or debt securities and/or any securities conferring an immediate entitlement or a future entitlement, at any time or on a fixed date, to the Company's common shares to be issued, which may be subscribed for in cash or by offsetting debts; and/or
  - by capitalizing additional paid-in capital, reserves, profit or any other sums that may be capitalized following a bonus share allotment or an increase in the nominal value of existing shares or a combination of those two methods. It is noted that, in the event of an increase in share capital following a bonus share allotment, any rights to fractional shares will not be tradable or transferable and the corresponding equity securities will be sold and the proceeds of the sale will be allocated to the holders of the rights within the period provided for in the applicable legal and regulatory provisions;
- set at 26 (twenty-six) months the period of validity of this delegation, as of the date of this Meeting;
- decide to set, as follows, the maximum amounts of issues that may be performed by the Board of Directors under this delegation of authority:
  - the aggregate nominal amount of the shares that may be issued immediately or in the future under this delegation of authority is limited to €9 million, it being specified that this cap includes the aggregate nominal amount of any additional shares that may need to be issued to protect the rights of holders of securities conferring an entitlement to the share capital, in accordance with the law and any contractual provisions that may impose other protective methods. In addition, this amount will be deducted from the overall ceiling set in the 25th resolution;
  - the total nominal amount of the financial securities representing claims on the company that may be issued may not exceed €90 million, this amount being deducted from the overall ceiling set in the 25th resolution;
- if the Board of Directors uses this delegation of authority for the issues described above:
  - decide that the Shareholders may exercise, under the conditions provided for by law, their preemptive subscription rights in proportion to the number of entitling shares held.
    In addition, the Board of Directors may grant the Shareholders the right to subscribe for excess shares or other financial instruments, beyond the number of shares they could subscribe in proportion to the number of entitling shares held, in proportion to their subscription rights and subject to the number requested;
  - decide that, if the subscriptions in proportion to the number of entitling shares held and, where applicable, excess subscriptions, do not absorb the entire issue, the Board of Directors may use, in the order it deems appropriate, one or more of the following rights:
    (i) restrict the issue, where applicable in accordance with the provisions and within the limits provided for in the regulations in force, to the amount of the subscriptions received;
    (ii) freely allocate all or part of the unsubscribed instruments between the persons it selects;
    (iii) offer to the public all or part of the unsubscribed instruments issued;
  - note, for the avoidance of doubt, that an issue of financial instruments conferring an entitlement to the share capital entails a waiver by the Shareholders of their preemptive subscription rights for the underlying shares;
  - decide that any issue of warrants to subscribe for shares in the Company may either be offered up for subscription or allotted free of charge to the owners of existing shares, it being specified that the Board may decide that any allotment rights to fractional shares may not be traded and that the corresponding instruments will be sold;
  - decide that the sums payable, or that should be payable, to the Company for each share issued or to be issued under this delegation of authority, after taking into account, where applicable, in cases where stand-alone share subscription or allotment warrants are issued, the issue price of the said warrants, must be at least equal to the face value of the said shares on the issue date;
  - decide that the Board of Directors holds full powers, with the right to sub-delegate in accordance with the applicable legal provisions and subject to the limits set above, to implement this delegation of authority and, in particular, to:
    (i) determine the terms of the issue(s), the nature and characteristics of the securities conferring an entitlement to the share capital, how the underlying instruments will be allotted and the dates on which the allotment rights may be exercised;
    (ii) charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital;
    (iii) make any adjustments to take into account the impact of transactions involving the share capital;
    (iv) enter into any agreement required for a successful completion of the issues, record the completion of the increases in share capital, amend the bylaws accordingly and, more generally, do everything necessary in that respect;
- note that this delegation of authority supersedes any previous delegation of authority given for the same purpose.

Presentation and explanatory statement - 20th resolution
The Board wishes to have the option of issuing, by way of a public offering, on one or more occasions, ordinary shares conferring, as the case may be, the right to the allocation of other ordinary shares or debt securities and/or any securities conferring access to ordinary shares of the company to be issued. It could thus benefit from the flexibility necessary to obtain additional financial resources that would prove useful for the company's development and set the issue price, with a possible discount, in consideration of the prospective investors and the situation of the financial markets.

The maximum nominal amount of the capital increases carried out under this delegation (9 million) and the total face value of debt securities that may be issued (90 million) are to be deducted from the ceilings of the same amounts set in the 25th resolution. The Board will be empowered to determine the dates, prices, amounts and other terms of the issues, as well as the form and characteristics of the shares and/or securities giving access to the capital, and to set the terms and conditions for the exercise of the rights attached to the shares and/or securities giving access to the capital, if applicable.

Twentieth resolution

Increase in share capital with preemptive subscription rights cancelled, via a public offering (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, specifically, Articles L. 225-129, L. 225-129-2, L. 22-10-52 and L. 228-91 et seq.:

- delegate to the Board of Directors their authority to increase the share capital, via one or more increases, in the proportions and at the times it

deems fit, both in France and abroad, by issuing, with the Shareholders' preemptive subscription rights cancelled, via a public offering, common shares, that may carry a right to an allotment of other common shares or debt securities and/or any securities conferring an entitlement to common shares to be issued, which may be subscribed for in cash or by offsetting debts;
- set at 26 months the period of validity of this delegation of authority, as of the date of this Meeting;
- decide to set, as follows, the maximum amounts of issues that may be performed by the Board of Directors under this delegation of authority:
  - the aggregate nominal amount of the common shares that may be issued under this delegation of authority is limited to €9 million, including the aggregate face value of any additional shares that may need to be issued to protect the rights of holders of securities conferring an entitlement to the share capital, in accordance with the law and any contractual provisions that may impose other protective methods. In addition, this amount will be deducted from the overall ceiling set in the 25th resolution;
  - the nominal amount of the financial instruments representing debts owed by the Company that may be issued is limited to €90 million. It is to be deducted from the overall ceiling mentioned in the 25th resolution;
- decide to cancel the Shareholders' preemptive subscription rights for the shares and financial instruments covered by this resolution, while authorizing the Board of Directors to elect to grant them a preferential right, in accordance with the law and, more specifically, the provisions of Article L. 225-10-51 of the French Commercial Code;
- decide, in the event that subscriptions do not absorb the entire issue, to authorize the Board of Directors to restrict the transaction to the amount of the planned subscriptions, within the limits prescribed in the applicable legal and regulatory provisions or to freely allocate all or part of the unsubscribed instruments;
- decide that the sum payable, or that should be payable, to the Company for each common share issued or to be issued under this delegation of authority, after taking into account, in cases where stand-alone share subscription warrants are issued, the issue price of the said warrants, must be at least equal to the face value of the said shares on the issue date. They also decide that the price will be set by the Board, within the limit of 10% of the share capital - assessed on the issue date - over a period of 12 (twelve) months and must be at least equal to the weighted average of the prices of the last twenty stock market trading sessions preceding the setting of the issue price, as potentially reduced by a maximum discount of 10%;
- note, for the avoidance of doubt, that this decision entails, for the benefit of the holders of the financial instruments issued under this delegation of authority, a waiver by the Shareholders of their preemptive subscription rights for the underlying shares;
- decide that the Board of Directors holds full powers, with the right to sub-delegate in accordance with the applicable legal provisions and subject to the limits set above, to implement this delegation of authority and, in particular, to:
  - determine the terms of the issue(s), the nature and characteristics of the securities conferring an entitlement to the share capital, how the underlying instruments will be allotted and the dates on which the allotment rights may be exercised;
  - charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital;
  - make any adjustments to take into account the impact of transactions involving the share capital;
  - enter into any agreement required for a successful completion of the issues, record the completion of the increases in share capital, amend the bylaws accordingly and, more generally, do everything necessary in that respect;
- note that this delegation of authority supersedes any previous delegation of authority given for the same purpose.

Presentation and explanatory statement - 21st resolution

In order to have, if necessary, the option of obtaining additional financial resources useful for the company's development, the Board wishes to be able to issue, by private placement, on one or more occasions, ordinary shares giving the right, if necessary, to the allocation of other ordinary shares or debt securities and/or any securities giving access to ordinary shares of the company to be issued.

A private placement allows a company to issue ordinary shares or any financial securities giving access to ordinary shares, an issue reserved for qualified investors or a limited circle of investors acting on their own behalf as defined by the French Monetary and Financial Code. The amount of the issues thus carried out would be deducted from the overall ceilings set out in the 25th resolution.

Twenty first resolution

Increase in share capital with preemptive subscription rights cancelled via a private placement (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, specifically, Articles L. 225-129-2, L. 22-10-52 and L. 228-92:
- delegate to the Board of Directors their authority to decide, via one or more increases, in the proportions, at the times and on the terms it deems fit, both in France and abroad, to issue, via one or more of the offerings referred to in Article L. 411-2(1°) of the French Monetary and Financial Code, common shares carrying a right to an allotment of other common shares or debt securities and/or any securities conferring an entitlement to common shares to be issued, which may be subscribed for either in cash or by offsetting debts;
- set at 26 months the period of validity of this delegation of authority, as of the date of this Meeting;
- decide that the issues to be performed under this delegation of authority may be carried out via offerings to a restricted circle of investors acting on their own behalf or to qualified investors as defined in Article L. 411-2 of the French Monetary and Financial Code and therefore decide to cancel the Shareholders' preemptive subscription rights for the instruments issued, for the benefit of those persons;
- decide that the aggregate amount of increases in share capital carried out immediately or in the future under this delegation of authority will be limited to 20% of the share capital per year and will be applied against the overall cap of €9 million set out in the 25th resolution, including, where applicable, the aggregate face value of any additional shares that may need to be issued to protect the rights of holders of securities conferring an entitlement to the share capital, in accordance with the law and any contractual provisions that may impose other protective methods;
- decide, moreover, that the nominal amount of any debt securities conferring an entitlement to the share capital that may be issued under this authorization is limited to €90 million and that amount is applied against the overall cap set out in the 25th resolution;
- decide that after taking into account (in the event of an issue of stand-alone warrants) the issue price of the said warrants, the price of the shares must be at least equal to the weighted average of the prices of the last twenty stock market trading sessions preceding the setting of that price, as potentially reduced by a maximum discount of 10%. The issue price of securities conferring an entitlement to the share capital and the number of underlying shares available via a conversion, redemption or, generally, transformation of each security conferring an entitlement to the share capital will be such that the amount received immediately or in the future by the Company, for each share issued as a result of the issue of those securities, must be at least equal to the minimum price defined above. Subject to the above, the Board of Directors may set the issue price of the securities, within the limit of 10% of the share capital, assessed on the issue date, over a period of 12 (twelve) months;
- note that, in the event that the subscriptions do not absorb the entire issue, the Board may restrict the amount of the transaction to the

amount of the planned subscriptions, within the limits prescribed in the applicable legal and regulatory provisions and/or freely allocate all or part of the unsubscribed instruments;

- decide that the Board of Directors holds full powers, with the right to sub-delegate in accordance with the applicable legal provisions and subject to the limits set above, to implement this delegation of authority and, in particular, to:
  - determine the terms of the issue(s), the nature and characteristics of the securities conferring an entitlement to the share capital, how the underlying instruments will be allotted and the dates on which the allotment rights may be exercised;
  - charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital;
  - make any adjustments to take into account the impact of transactions involving the share capital;
  - enter into any agreement required for a successful completion of the issues, record the completion of the increases in share capital, amend the bylaws accordingly and, more generally, do everything necessary in that respect;
- note that this delegation of authority supersedes any previous delegation of authority given for the same purpose.

Presentation and explanatory statement - 22nd resolution

In the interest of the company, the Board must be able to increase the number of shares initially planned for the offer in the event that actual demand is higher than initially planned, within the overall ceiling set in the 25th resolution.

It is therefore proposed that the Board be authorized to increase the number of shares to be issued in the event of a capital increase, with or without shareholders' pre-emptive rights being maintained or waived, in accordance with Article L. 225-135-1 of the French Commercial Code. The number of securities may be increased, within 30 days of the closing of the subscription of the initial issue, within the limit of 15% of the initial issue and at the same price as that retained for the initial issue.

Twenty second resolution

Authorization to increase the amount of issues in the event of oversubscription (valid for 26 months)

For each of the issues decided pursuant to resolutions 19, 20 and 21, the Shareholders' Meeting, after having reviewed the report of the Board of Directors and in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, authorizes the Board, for a period of 26 (twenty-six) months, to increase, at its sole discretion and within the limit of the overall ceiling set in the 25th resolution, the number of ordinary shares or financial securities to be issued if the Board notes that there is an excess demand. In such a case, the increase in the number of instruments is limited to 15% of the initial issue and at the same price as that used for the initial issue, in accordance with the provisions of Article R. 225-118 of the French Commercial Code.

The Shareholders note that this authorization supersedes any previous authorization given for the same purpose.

Presentation and explanatory statement - 23rd resolution

This resolution proposes that the Shareholders' Meeting delegate its authority to the Board of Directors to issue, on one or more occasions, ordinary shares or any securities governed by the provisions of Articles L. 228-91 et seq. of the French Commercial Code, giving immediate or future access to the Company's ordinary shares, in order to remunerate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable, up to a limit of 10% of the Company's share capital at the time of issue, it being stipulated that the amounts of the issues carried out by virtue of the present delegation of authority would be deducted from the overall ceiling referred to in the 25th resolution below.

The present delegation would automatically entail the waiver by the shareholders of their preferential subscription rights in favor of the holders of the securities to be issued pursuant to the present delegation.

The Board of Directors would decide on the basis of the report of the contribution auditor(s). He will report to the next Ordinary Shareholders' Meeting, in accordance with the law and regulations, on the implementation of this delegation.

Twenty third resolution

Issue of shares as consideration for contributions in kind (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' report and after having noted that the share capital is fully paid up, voting in accordance with the provisions of Article L. 22-10-53 of the French Commercial Code:

- delegate to the Board of Directors their authority to issue, via one or more issues, common shares in the Company or any securities governed by the provisions of Article L. 228-91 et seq. of the French Commercial Code, conferring an immediate or future entitlement to common shares in the Company. In such a case, the issue is designed to remunerate contributions in kind made to the Company consisting of equity securities or securities conferring an entitlement to the share capital, whenever the provisions of Article L. 22-10-54 of the French Commercial Code do not apply and within the limit of 10% of the share capital at the time of the issue, it being specified that the amounts of the issues carried out under this delegation of authority will be applied against the overall cap set out in the 25th resolution;
- note that, pursuant to the provisions of Article L. 225-132 of the French Commercial Code, this delegation of authority automatically entails, for the benefit of the holders of any securities that may be issued under this delegation of authority, a waiver by the Shareholders of their preemptive subscription rights for the underlying shares;
- note that, pursuant to the provisions of Article L. 225-147 of the French Commercial Code, the Board of Directors will decide on the basis of the Statutory Auditors' report;
- set the period of validity of this delegation of authority at 26 (twenty-six) months from the date of this Meeting;
- decide that the Board of Directors will hold full powers, with the right to sub-delegate, in accordance with the applicable provisions of the law and the bylaws, to implement this delegation of authority, in particular to:
  - decide the increase of share capital remunerating the contributions and determine the number of instruments to be issued;
  - determine the issue terms for the instruments to be issued to remunerate the contributions;
  - approve the valuation of the contributions and, where applicable, reduce it if all contributors agree;
  - set the exchange ratio and, where applicable, the amount of the balancing cash payment to be made;

- define, where necessary, how the rights attached to the instruments issued or to be issued may be exercised and, in particular, set the date, even retroactively, from which the new shares will carry dividend rights and determine how the rights of exchange, conversion, redemption or allotment in any other way may be exercised for the instruments issued;
- suspend, where applicable, the exercise of the rights attached to those instruments, in compliance with legal and regulatory provisions;
- make any adjustments required under the laws and regulations in force and determine how the rights of holders of securities conferring an entitlement to the share capital will be protected, where applicable;
- charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital and deduct from that amount, after each increase in share capital, the sums required to restore the legal reserve to one tenth of the new share capital amount;
- record the completion of the increases in share capital resulting from the issues decided under this delegation of authority and amend the bylaws accordingly;
- generally, enter into any agreement and/or take any steps and perform any formalities, as appropriate for the issue of the instruments issued under this delegation of authority or their admission for trading on a market and for the exercise of the rights attached thereto;

• note that the Board of Directors will report back to the Shareholders at the next Ordinary General Meeting, in accordance with the law and regulations, on any use of this delegation of authority.

Presentation and explanatory statement - 24th resolution

The Board of Directors wishes to be able to issue, on one or more occasions, shares and any other securities giving access to the company's capital, as consideration for securities tendered to a public exchange offer initiated by the company, in France or abroad, for securities of another company whose shares are admitted to trading on a regulated market of a State party to the agreement on the European Economic Area or a member of the Organisation for Economic Cooperation and Development.

The total nominal amount of the capital increases that may be carried out pursuant to said delegation would be set at €9 million, it being specified that the amounts of the issues carried out pursuant to this delegation would be deducted from the overall ceiling of the same amount referred to in the 25th resolution.

Twenty fourth resolution

Issue of shares if a Public Exchange Offer is initiated by the Company (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' management report and the Statutory Auditors' special report, in accordance with Articles L. 225-129 to L. 225-129-2, L. 22-10-49, L. 225-129-5, L. 225-129-6, L. 22-10-54, L. 228-91 and L. 228-92 of the French Commercial Code:

• decide that the Board of Directors may, via one or more issues, issue shares and any other securities conferring an entitlement to the Company's share capital, as consideration for instruments contributed as part of a Public Exchange Offer for the instruments of another company admitted for trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code, initiated by the Company, in France or abroad;
• decide, where necessary, to cancel the Shareholders' preemptive subscription rights for the benefit of the holders of those instruments;
• decide that the total nominal amount of the capital increases that may be carried out by virtue of the present delegation is set at €9 million, it being specified that the amounts of the issues carried out by virtue of the present delegation will be deducted from the overall ceiling referred to in the 25th resolution;
• decide that the delegation of authority granted to the Board of Directors in this resolution is valid for 26 (twenty-six) months.

Presentation and explanatory statement - 25th resolution

It is proposed that the Board set the following ceiling for the issues that would be decided under the delegations granted in resolutions 18 to 24:

• the maximum aggregate nominal amount of the capital increases that may be effected pursuant to all of the above resolutions shall be €9,000,000 (nine million euros), it being specified that this ceiling shall include, where applicable, the nominal amount of any additional shares to be issued to preserve the rights of holders of securities giving access to the capital;
• the total nominal amount of debt securities giving access to the company's capital that may be issued pursuant to the above-mentioned resolutions may not exceed €90,000,000 (ninety million euros).

Twenty-fifth resolution

Overall limit on the amount of issues performed under the authorizations set out in the 18th to 24th resolutions

The Shareholders, having reviewed the Board of Directors' report, decide as follows:

• the maximum aggregate nominal amount of the increases in share capital performed on the basis of the delegations of authority set out in resolutions 18 to 24 of this Meeting is limited to €9,000,000 (nine million euros), it being specified that this cap includes the nominal amount of any increases in share capital that may be performed, as required to protect the rights of holders of rights or securities conferring an entitlement to the Company's share capital, in accordance with the law and any contractual provisions that may impose other protective methods.
• the aggregate nominal amount of debt securities conferring an entitlement to the Company's share capital that may be issued under resolutions 18 to 24 is limited to €90,000,000 (ninety million euros).

Presentation and explanatory statement - 26th resolution

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, joint stock companies are subject to specific requirements with respect to capital increases. These provisions require the Shareholders' Meeting, when deciding on any capital increase by cash contribution (immediate or deferred), to vote on a draft resolution to increase the share capital, the subscription of which would be reserved for members of a Company Savings Plan (CSP).

As a consequence of certain of the foregoing resolutions, the Board is submitting a resolution to the Shareholders' Meeting to authorize it to increase, on one or more occasions, the company's capital by issuing ordinary shares, reserved for members of a company savings plan (CSP) of the company and of French or foreign companies related to it.

Twenty-sixth resolution

Increase in share capital reserved for members of a company savings plan (valid for 18 months)

The Shareholders, after having reviewed the reports of the Board of Directors and the Statutory Auditors, authorize the Board of Directors, pursuant to Article L. 225-129 et seq. of the French Commercial Code and in accordance with the provisions set out in Article L. 3332-18 et seq. of the French Labor Code, to increase the share capital, via one or more increases and at its discretion, by a maximum nominal amount of €200,000 (two hundred thousand euros) per issue of shares to be subscribed for in cash reserved, where necessary in separate tranches, for employees and former employees, and those who have retired or taken early retirement, of the Company or affiliated companies within the meaning of Article L. 3344-1 of the French Labor Code, who are members of a company savings plan.

This delegation of authority entails an express waiver by the Shareholders of their preemptive subscription rights for the increase in share capital authorized as above.

This delegation of authority is valid for a period of 18 months from the date of this Meeting.

The Shareholders delegate full powers to the Board of Directors to carry out the increase in share capital authorized above and, in particular, to:

- determine, where applicable, the companies whose employees or employees who have retired or taken early retirement may subscribe for the shares issued under this authorization,
- settle all the terms and conditions of the transaction(s) to be performed and, in particular:
  - determine, where applicable, the length of service conditions that beneficiaries of the new shares must fulfill and the time within which the shares must be paid up,
  - decide the amount of the issue, the subscription price, the length of the subscription period, the dividend entitlement date, which may even be retroactive, for the new shares and, more generally, all the terms of each issue,
  - at its sole discretion, after each increase in share capital, to charge the transaction costs to the amount of the related additional paid-in capital,
  - perform all acts and formalities to record the completion of each increase in share capital for the amount of the shares actually subscribed for, amend the bylaws accordingly, complete all public notice formalities and, more generally, do everything that may be appropriate or necessary, with a right of substitution.

All of the above, in compliance with the legal and regulatory provisions in effect.

JOINT REMIT

Twenty-seventh resolution

Powers

The Shareholders grant full powers to the holder of a copy of or extract from the minutes of this Meeting to fulfill all legal filing and public notice 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

331 408 336 R.C.S. Nanterre

Fiscal year

The fiscal year starts on January 1 and ends on December 31 of each year.

Share capital

At December 31, 2021, the Company's share capital amounted to €9,691,286.40 divided into 24,228,216 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.

The Shareholders' Meeting may grant shareholders the option to receive all or part of the dividend or interim dividend in cash or in shares.

The Group's organization

NEURONES S.A. is the holding company of a group made up, as of 31 December 2021, of fifty-nine subsidiaries and "sub-subsidiaries" (direct or indirect control, within the meaning of article L.233-3 of the Commercial Code). The direct subsidiaries are all French and the head offices are located in the Paris region: Nanterre, Paris, La Défense (Puteaux), Neuilly-sur-Seine 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). Several Group companies have secondary establishments (in particular in Lyon, Angers, Nantes, Lille, Amiens, Bordeaux, Coutances, Orléans, Toulouse and Tours).

The subsidiaries and "sub-subsidiaries" are mainly simplified joint stock companies (41 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 managers of subsidiaries and "sub-subsidiaries" hold a minority share (ranging from approximately 1% to 49%) of the capital of the company they manage. Although they have the most extensive powers vis-a-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 2021, the Board has not decided to allocate bonus shares.

Plan G, decided in June 2018, resulted in the issuance and delivery of 10,500 new shares in June 2021, subject to a holding period until December 31, 2021. The H plan decided in September 2020 concerns 50,500 shares under the vesting period as of December 31, 2021, 4,000 shares having lapsed during the year 2021, and represents approximately 0.21% of the capital.

Company buy-back of its own securities

All information on the company's purchase of its own shares is provided in paragraph 9 of the Management Report.

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 nominal amount 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 has made use of one of these authorizations for fiscal year 2021 by issuing 10,500 new shares for delivery to the beneficiaries of Plan G.

A proposal will be made to the General Meeting of June 2, 2022 to renew all authorizations to increase the capital.

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 statement and the methods of filing with the AMF are fixed by the AMF's instructions. The AMF shall make this statement public, via its Decision and Financial Information Database, within three trading days of receiving the full statement.

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 the year 2021, the following thresholds were crossed and reported to the AMF or to the company:

- on January 14, Amiral Gestion went below the threshold of 2% of the capital;
- on February 4, Invesco exceeded the threshold of 4% of the capital and 2% of the voting rights;
- on April 12, Sycomore crossed the threshold of 4% of the capital;
- on December 1, Invesco exceeded the 5% threshold of the capital.

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, double voting rights are granted to all fully paid-up shares that have been registered in the name of the same shareholder for at least four years (see also page 108).

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 F200 to F4,000	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
12/31/2021	Capital increase for the delivery of shares to the beneficiaries of plan G for the allocation of bonus shares	€4,200.00	-	10,500	24,228,216	€9691286.40

7.3. EMPLOYEE PROFIT-SHARING AND INCENTIVE PLANS

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.

Over the last five years, profit-sharing has increased by an average of 26.7% per year:

(in thousands of euros)	2017	2018	2019	2020	2021
Statutory profit sharing	2,257	3,391	3,890	3,380	5,822
Optional profit sharing	0	0	0	0	0
TOTAL (statutory + optional profit sharing)	2,257	3,391	3,890	3,380	5,822

7.4. PERSONS IN CHARGE OF AUDITING THE FINANCIAL STATEMENTS

Statutory Auditors

KPMG S.A.
Tour Eqho – 2, avenue Gambetta – 92066 Paris La Défense cedex
Represented by Mrs. Camille Mouysset.
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. Thierry Bellot and Mrs. Céline Claro.
Date of first appointment: appointed during the Ordinary Shareholders' Meeting of June 30, 1997.
Date of current term: renewed at the Ordinary Shareholders' Meeting of June 3, 2021.
End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2026.

Alternate Auditors

SALUSTRO REYDEL
Tour Eqho – 2, avenue Gambetta – 92066 Paris La Défense cedex
Represented by Mrs. Béatrice de Blauwe.
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 term: renewed at the Ordinary Shareholders' Meeting of June 3, 2021.
End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2026.

Person in charge of information

Luc de Chammard – 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, 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.
- the consolidated financial statements and the statutory auditors' report thereon for the year ended December 31, 2020, set out on pages 75 to 94 and 95 to 96 respectively of the Universal Registration Document filed with the AMF on April 27, 2021 under number D.21-0367.

Publicly available documents

The following documents in particular are available on the company website (www.neurones.net):

- this 2021 Universal Registration Document,
- the 2019 and 2020 Universal Registration Documents and the 2000-2018 Reference Documents.

The company bylaws can be consulted at NEURONES' head offices: 205, avenue Georges Clemenceau - 92000 - Nanterre - France.

The 2018 Reference Document, the 2019 and 2020 Universal Registration Documents and the current 2021 Universal Registration Document are also available on the AMF website (www.amf-france.org).

Table of concordance of the Universal Registration Document

This table lists the main headings provided for in Delegated Regulation (EU) number 2019/980 of the European Commission of March 14, 2019 and refers to the corresponding pages of this document.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

2021 UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

This Universal Registration Document was filed with the Autorité des Marchés Financiers on April 22, 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 2021 Universal Registration Document and Annual Financial Report is available at 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 interative, 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.

ASSISTANCE TO PROJECT OWNERS (FRENCH AMO OR AMOA: 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.

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: Nexthink) 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.

ANALYTICS (DATA ANALYTICS): data analysis. This ranges from the feeding of data lakes or data warehouses to the formatting of information ("data visualization"), including the creation of multidimensional cubes. This also includes datamining and analytical processing applications. Data analysis covers the older concepts of "BI" (Business Intelligence).

ANSSI: French National Agency for the Security of Information Systems. Main labels awarded by Anssi: SecNumCloud, Pams, Pacs, Pris, Passi, Pdis.

ANTIVIRUS (EPP, EDR, XDR): program that identifies, neutralizes and eliminates malware on workstations and servers. The classic antivirus EPP (Endpoint Protection Platform, numerous publishers: Kaspersky, McAfee, Sophos, Symantec) rely on signature databases that need to be updated very frequently. More recent, EDR (Endpoint Detection and Response, leading editor: Crowdstrike) solutions complement traditional antivirus programs. Indeed, they do not 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). EDR detects abnormal behavior (data encryption attempt, registry access, script execution with privileges, etc.) and immediately stops the suspected process. EDR 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. See XDR below.

API (APPLICATION PROGRAMMING INTERFACE): interface that allows software programs to communicate with each other.

TECHNICAL ASSISTANCE (OR TIME SPENT): a form of service that provides the skills of a consultant at a defined daily rate for a specified 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.

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, 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 cryptography. This system of securing transactions is used on a large scale for, for example, 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.

BI (BUSINESS INTELLIGENCE): see Analytics.

SERVICE CENTER: structure providing digital services (application maintenance, operation, service desk, etc.) for several customers and located in the premises of the ESN provider. 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.

CERT (COMPUTER EMERGENCY RESPONSE TEAM): team managing the response to a security incident or cyberattack: processing, lockdown 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 will be able to resolve certain incidents or handle 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, we distinguish between private and public clouds (e.g. Microsoft Azure hyperscalers, Amazon Web Services, Google Cloud Platform, etc.).
There are several forms of private cloud: dedicated (customer-specific infrastructure) or shared (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. 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 rich features (especially PaaS services including managed databases). 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.).

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.

CLOUD MANAGEMENT PLATFORM: a suite of integrated software tools that enable an organization to monitor and manage its cloud infrastructures (public, private, hybrid or multi-cloud).

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 follow-up, 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.

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 container uses the OS of the computer on which it is installed. For containers, the reference vendors are Docker and Kubernetes, an open-source system for automating the deployment, scaling and management of containerized applications.

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-executables, cookies are the equivalent of a small text file. These "tracers" contain residual personal information that can be exploited by data marketers (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.

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.

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 (better PUEs. See below).

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 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 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 enterprise social networking. It follows the intranet by allowing flexible work in time and space.

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).

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.

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 companies.

ESB (ENTERPRISE SERVICE BUS): see EAI above.

DSC: Digital Services Company. Acronym equivalent to IT services Company.

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 practical terms, it's about understanding the cloud provider's bill, the cost drivers, and then taking action, for example, by turning off certain resources at night or actively disconnecting other resources that are no longer in use.

FIORI (SAP FIORI): user interface allowing in particular to use SAP indifferently on a mobile, a tablet or a 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 programing 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. Standard of the decade 2000-2010, 3G corresponded to a speed of about 1 to 10 megabits/s. Operational since 2012, the standard 4G offers a speed that reaches in practice 100 megabits/s. The 5G, meanwhile, was born in 2021 in France with speeds of about 1 to 20 gigabits/s.

EDM (ELECTRONIC DOCUMENT MANAGEMENT): computerized system for acquiring, filing, storing and archiving digital documents. 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.

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.

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.).

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.

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. 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 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.

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.

IAAS: Infrastructure as a Service. See Cloud computing.

INFRASTRUCTURE AS CODE (IAC): automatic allocation of server resources within a data center, solely using definition files ("programmatically") rather than through 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.

CONTENT INSPECTION: content inspection filters the content of emails or websites to prevent misuse of the web. 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.

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, IS0 26000 relates to Corporate Social Responsibility, ISO 20000 relates to shared service centers, ISO 31000 relates to 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.). ITIL has become a de facto standard.

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).

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.

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.

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, 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.

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.

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".

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.

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).

NEARSHORE: see Offshore.

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.

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 customer no longer manages the platform, his role being limited to the development of applications that he will "deposit" on the platform of his PaaS provider.

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).

PGI (PROGICIEL DE GESTION INTÉGRÉ): see ERP.

PHISHING: fraudulent request for confidential information by e-mail by pretending to be a known person.

PLM (PRODUCT LIFECYCLE MANAGEMENT): product life-cycle management groups together all information concerning the design, manufacture, repair and recycling of a 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.

DRP (DISASTER RECOVERY PLAN) OR RTO, RPO: 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 duration is included in the overall RTO).

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).

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.

QUALIOPI: unified quality certification, launched by the Ministry of Labor in November 2019, for professional training organizations.

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, skills management, expense management, messaging, 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 pokers, 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.

SECNUMCLOUD: a label defined by Anssi to distinguish cloud hosting operators (of which the group’s specialized entity is a part) that comply with demanding security practices and, in addition, are committed to locating data mandatorily in the European Union. A cloud infrastructure that has obtained this label is called a “trusted cloud".

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.

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 coves: 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, rules concerning behavior and procedures, the physical security of premises and access points, etc.

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).

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.

MANAGED SERVICES/OUTSOURCING: this service involves entrusting the management of all or part of a Company's IT system to a DSC 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" replaces the term "IT Outsourcing".

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, e-commerce, etc.) in a way that is transparent to the user. 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.

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. SOCs have become widespread in major organizations and their scopes of surveillance are steadily expanding.

SSII: IT services Company (French: Société de Services et d'Ingénierie Informatiques). Synonym of ESN (Entreprise de Services du Numérique)/DSC (Digital Services Company).

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 (Microsoft, Android, Linux, Unix, etc.) that are independent of manufacturers.

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.

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 and perimeter of the information system, to ensure that it is watertight (control of all its access doors).

TMA (THIRD PARTY APPLICATION MAINTENANCE): maintenance (for corrective and evolutionary purposes) and update of the computer applications ensured by a third party service company.

UX/UI (USER EXPERIENCE, USER INTERFACE): a concept that specifies that the analysis of the functions of a man-machine interface (UI) must be completed by taking into account the subjective and affective dimension of the user whose "experience" must be pleasant, fluid, intuitive and not strictly functional. UX/UI appeared in the 1990s.

VDI (VIRTUAL DESKTOP INFRASTRUCTURE): system that separates the user's desktop environment from the physical machine used to access it, so that they only have access to a screen terminal while the workstations are managed on virtual machines in a datacenter (usually a private cloud). 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.).

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.

WORKLOAD: in computing, the amount of processing the computer must do at any given time. It is the product of the unit workload carried out by one or more servers for a given application (real time or batch) by the number of users connected simultaneously, requesting these treatments. A real-time application, even a complex one, does not generate a large "workload" if the number of simultaneous users remains low (development or test machines for example).

XDR (EXTENDED DETECTION AND RESPONSE): in cybersecurity, state-of-the-art systems for automatic data collection and correlation across multiple security layers: email, desktop, server, cloud workload and network. These enable faster detection of threats, as well as improved investigation and response times during security analysis. Endpoint Detection and Response (EDR), which is installed on workstations and shuts down the workstation when it has detected abnormal activity on it, is part of the XDR family.

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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Production: NEURONES Marketing and Communication Department - Graphic design: **T12ELVE**
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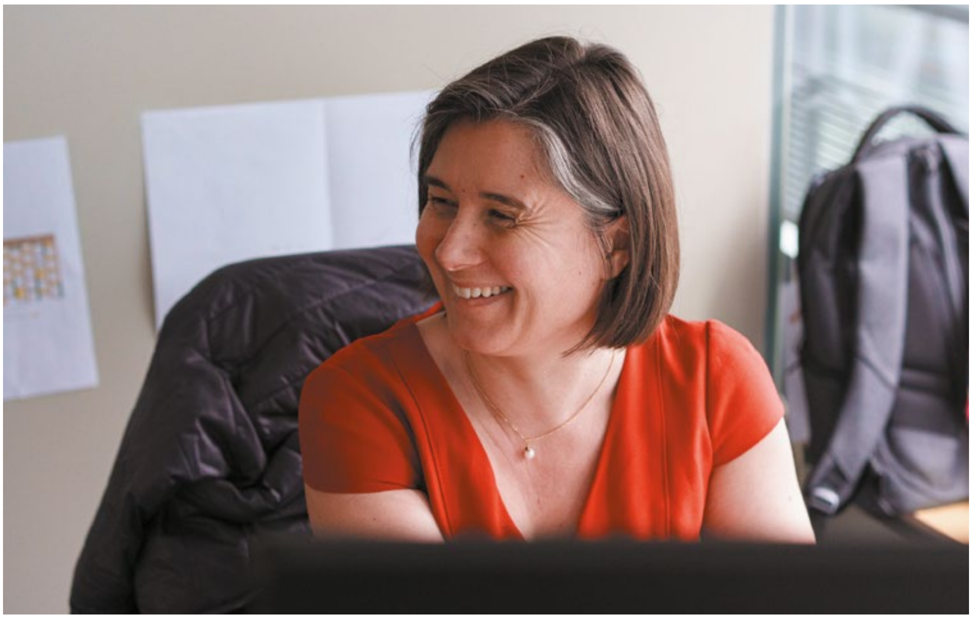

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