

Dassault Systèmes Delivers Solid Third Quarter Driven By Accelerating Recurring Revenue Growth, Reaffirms 2022 Objectives

[Dassault Systèmes](#) (Euronext Paris: FR0014003TT8, DSY.PA), today announced IFRS unaudited financial results for the third quarter and nine months ended September 30, 2022. The Group's Board of Directors approved these results on October 25, 2022. This press release also includes financial information on a non-IFRS basis and reconciliations with IFRS figures in the Appendix to this communication.

Summary Highlights

(unaudited, all revenue growth rates in constant currencies)

- 3Q22 IFRS diluted EPS increased 20% to €0.16 as reported. Non-IFRS diluted EPS grew 17% to €0.26 as reported, outperforming our objectives.
- 3Q22 total revenue and software revenue increased 8% (IFRS and non-IFRS), driven by strong subscription & support revenue growth of 10% (IFRS and non-IFRS). Licenses & other software revenue declined (2)% (IFRS and non-IFRS) due to our focus on increasing the mix of subscription versus license revenue
- 3Q22 **3DEXPERIENCE** software revenue rose 15% (IFRS and non-IFRS). Cloud software revenue increased 21% (IFRS and non-IFRS).
- FY2022 non-IFRS objectives: reaffirming total revenue growth of 9%-10%, in constant currencies. Raising non-IFRS diluted EPS target to 18%-19% growth to €1.12-€1.14, and on track to be fully deleveraged by year-end.

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

“Virtualization is about applying science at scale, using the virtual world to extend and improve the real world. For forty years, we have been a trusted partner, leveraging science, to help clients overcome their most significant challenges, prepare for the future, and realize their greatest ambitions - from agility and resiliency to sustainability. Today, clients across all sectors, and society at large, face a complex and rapidly changing business environment. The role we play is as critical as ever; this was well demonstrated at our recent customer forums, held around the world. Virtualization opens possibilities well beyond digitization - it's the next frontier.

Our foundation in science is truly a differentiator. Our virtual twin experiences, powered by cloud-based **3DEXPERIENCE**, are not simple renderings, they are fully integrated with scientific laws and principles and all of our technologies. Incorporating multi-physics, multiscale and multi-discipline, we combine modeling, simulation and data science for a holistic approach to innovation and business optimization. We empower our clients to create virtual universes to operate the

lifecycle of their products and also the production systems. This establishes a valuable foundation to fully leverage the future of data science.

As data collection and analysis accelerate, virtualization of society and the economy requires the highest levels of security, trust and services. For these reasons, we announced our new strategic objective to elevate 3DS OUTSCALE, Dassault Systèmes' sovereign cloud infrastructure, to a brand, protecting environments for creating and operating sustainable virtual twin experiences. Trust is a topic of the greatest importance for all of society – consumers, patients and citizens.”

Financial Summary

In millions of Euros, except per share data and percentages	IFRS				IFRS			
	Q3 2022	Q3 2021	Change	Change in constant currencies	YTD 2022	YTD 2021	Change	Change in constant currencies
Total Revenue	1,373.0	1,158.7	18%	8%	4,081.4	3,492.4	17%	9%
Software Revenue	1,229.8	1,044.6	18%	8%	3,685.4	3,163.1	17%	9%
Operating Margin	19.3%	20.5%	(1.2)pt		22.3%	20.1%	+2.2pts	
Diluted EPS *	0.16	0.14	20%		0.46	0.41	12%	

In millions of Euros, except per share data and percentages	Non-IFRS				Non-IFRS			
	Q3 2022	Q3 2021	Change	Change in constant currencies	YTD 2022	YTD 2021	Change	Change in constant currencies
Total Revenue	1,373.0	1,158.8	18%	8%	4,081.6	3,493.9	17%	9%
Software Revenue	1,229.9	1,044.7	18%	8%	3,685.6	3,164.4	16%	9%
Operating Margin	31.6%	33.8%	(2.3)pts		32.8%	33.3%	(0.5)pt	
Diluted EPS *	0.26	0.22	17%	6%	0.80	0.67	19%	11%

* 2021 and 2022 figures have been presented in order to reflect the five-for-one share split of Dassault Systèmes' share effected on July 7, 2021

Third Quarter 2022 Versus 2021 Financial Comparisons

(unaudited, all revenue growth rates in constant currencies)

- Total Revenue:** Total revenue grew 8%, IFRS and non-IFRS, to €1.37 billion. IFRS and non-IFRS software revenue increased 8%, to €1.23 billion. IFRS and non-IFRS subscription & support revenue rose 10%; recurring revenue represented 82% of total software revenue. Licenses and other software revenue decreased 2%, IFRS and non-IFRS, to € 221.3 million. Our focus on accelerating recurring revenue growth drove a higher than expected mix of subscription versus the license model, this quarter. Services revenue increased 16%, IFRS and non-IFRS.
- Software Revenue by Geography (IFRS and non-IFRS):** The Americas revenue grew 7% to 41% of software revenue, driven by strong performance in Life Sciences and High-Tech. Europe demonstrated resiliency in a challenging environment; revenue increased 9% to 34% of software revenue. The region benefited from strength in France, Northern Europe and Southern Europe and from good performance in Transportation and Mobility, from an industry perspective. Asia Pacific rose 6% this quarter to 24% of software revenue, driven by double-digit growth in India and Korea. China was up mid-single digits as Covid-19 related shutdowns continued to weigh on activity.

- **Software Revenue by Product Line:**
 - **Industrial Innovation** IFRS and non-IFRS software revenue rose 6% to €623.5 million, representing 51% of software revenue. CATIA exhibited continued strong momentum with revenue up double-digits. Cyber-Systems delivered excellent performance again this quarter. ENOVIA and DELMIA also showed strong growth during the period.
 - **Life Sciences** software revenue rose 14% IFRS and 13% on a non-IFRS basis, to €294.6 million, representing 24% of software revenue. MEDIDATA continued to deliver strong performance driven by broad-based growth across product lines and end-markets. Life sciences companies are prioritizing R&D investments and with a renewed focus on value; MEDIDATA is mission critical to accelerate innovation, increase efficiency, reduce costs and to gain a competitive edge.
 - **Mainstream Innovation** software revenue was €311.7 million on an IFRS and non-IFRS basis, an increase of 5%, and representing 25% of software revenue. Mainstream Innovation was impacted by complex macroeconomic conditions. China's COVID related lockdowns were also a headwind, impacting SOLIDWORKS performance this quarter.
- **Software Revenue by Industries:** Life Sciences & Healthcare, Transportation & Mobility, High-Tech displayed some of the strongest performance.
- **Key Strategic Drivers (IFRS and non-IFRS):** 3DEXPERIENCE revenue increased 15% and represented 32% of software revenue. Cloud software revenue grew 21% and represented 24% of software revenue. 3DEXPERIENCE and cloud afford opportunities to deliver incremental value to our customers. As clients embrace a platform approach via the cloud, they are adding new users and new usages, capitalizing on the benefits of adopting all of Dassault Systèmes' domains.
- **Operating Income and Margin:** IFRS operating income increased 12%, as reported. Non-IFRS operating income rose 11% to €433.5 million, as reported. The IFRS operating margin was 19.3% compared to 20.5% in the third quarter of 2021. The non-IFRS operating margin was 31.6%, versus 33.8% for the comparable period last year. Consistent with the plan we communicated early this year, and our long-term focus, we invested in future growth initiatives.
- **Earnings per Share:** IFRS diluted EPS increased 20% to €0.16 as reported. Non-IFRS diluted EPS grew 17% to €0.26 as reported.

Year-To-Date 2022 Versus 2021 Financial Comparisons

(unaudited, all revenue growth rates in constant currencies)

- **Total Revenue:** Total revenue grew 9% IFRS and non-IFRS to € 4.08 billion. IFRS and non-IFRS software revenue increased 9% to €3.69 billion. IFRS and non-IFRS subscription and

support revenue rose 9% to €2.96 billion; recurring revenue represented 80% of total software revenue. Licenses and other software revenue increased 7% IFRS and non-IFRS to €727.5 million. Services revenue rose 13% on an IFRS and non-IFRS basis.

- **Software Revenue by Geography (IFRS and non-IFRS):** The Americas grew 8% and represented 40% of software revenue. Europe rose 9% to 35% of software revenue. Asia Pacific increased 11% to 25% of software revenue.

- **Software Revenue by Product Line:**
 - **Industrial Innovation** IFRS and non-IFRS software revenue rose 7% to €1.94 billion and represented 53% of software revenue. Year-to-date, CATIA, ENOVIA and DELMIA exhibited some of the strongest performance.

 - **Life Sciences** software revenue increased 14% IFRS and 13% to €823.8 million on a non-IFRS basis, representing 22% of software revenue. Excellent MEDIDATA performance has been the key driver of Life Sciences growth.

 - **Mainstream Innovation** software revenue increased 8% on an IFRS and non-IFRS basis, to €921.5 million IFRS and €921.7 million non-IFRS. Mainstream Innovation represented 25% of software revenue. SOLIDWORKS grew mid-single digits while CENTRIC PLM delivered double-digit growth. Year-to-date SOLIDWORKS performance has been impacted by China's COVID-19 related shutdowns, which have lasted longer than expected.

- **Software Revenue by Industries:** Life Sciences & Healthcare, Aerospace & Defense, Industrial Equipment, and Marine & Offshore displayed some of the strongest performance.

- **Key Strategic Drivers (IFRS and non-IFRS):** 3DEXPERIENCE revenue increased 21% and represented 31% of software revenue. Cloud software revenue grew 22% and represented 22% of software revenue.

- **Operating Income and Margin:** IFRS operating income increased 30%, as reported. Non-IFRS operating income rose 15% to €1,339.9 million, as reported. IFRS operating margin was 22.3% compared to 20.1% for the same period in 2021. The non-IFRS operating margin was 32.8% versus 33.3% in the comparable period last year. Throughout 2022 we have invested in future growth opportunities, as communicated early this year.

- **Earnings per Share:** IFRS diluted earnings per share increased 12% to €0.46. Non-IFRS diluted EPS grew 19% to € 0.80, as reported.

- **Cash Flow from Operations (IFRS):** Cash flow from operations totaled €1.281 billion, an increase of 2%, relative to the same period last year. The main changes result from tax cash flow differences related to the mandatory capitalization of R&D expenses for tax purposes in the USA and to withholding tax. Excluding those two effects, the cash flow from operations would have been up 10% year-to-date. Cash from operations was principally used for debt repayment, net of proceeds for €885 million, treasury shares buy-back and employee

shareholding plan net of proceeds from stock options exercise for €359 million, and cash dividend payments for €224 million.”

- **Balance Sheet (IFRS):** Dassault Systèmes’ net financial debt at September 30, 2022 decreased by €682 million to €208 million, compared to €889 million at December 31, 2021, reflecting cash, cash equivalents and short-term investments of €2.788 billion and debt related to borrowings of €2.996 billion at September 30, 2022.

Dassault Systèmes’ Chief Operating Officer Commentary

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

Pascal Daloz, Dassault Systèmes’ Chief Operating Officer, commented:

“In a challenging environment, we delivered a solid third quarter thanks to the resiliency of our model and the broad diversification of our business. In Industrial Innovation, our flagship brands CATIA, ENOVIA and DELMIA drove performance with strong, double-digit software revenue growth. In Life Sciences, MEDIDATA delivered excellent growth against a high comparison base, again this quarter. Mainstream Innovation rose mid-single digits as China’s COVID related restrictions continued to be a headwind, impacting results this quarter, particularly for SOLIDWORKS.

The relevance and criticality of our platform and industry solution experiences have never been greater. To navigate today’s complex economic and geopolitical environment, clients across all sectors of the economy continue to prioritize investments to accelerate sustainable innovation and increase resiliency and agility by optimizing production and logistics. This is well reflected in our strong customer adoption this quarter, incorporating numerous domains including precision medicine, modular nuclear reactors and connecting supply chains.

This quarter, we announced the acquisition of StyleSage, a cloud-based market intelligence platform offering retailers and brands AI-powered tools for competitive benchmarking, price optimization, and forecasting. StyleSage will bolster CENTRIC PLM’s value proposition by extending its footprint from collection management to business planning & analytics as well as e-commerce. We continue to innovate and invest for the future both organically and through M&A.”

Dassault Systèmes’ Chief Financial Officer Commentary

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

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

“We delivered solid results in the third quarter, demonstrating the strength of our model. Total revenue grew 8%, in line with our objectives. Recurring revenue growth accelerated, increasing 10%, and now represents 82% of software revenue, driven by strong subscription revenue, up 16%. This shows we are well prepared for a progressive acceleration in subscription growth while continuing to support our clients with optionality that meets their needs. Our key strategic drivers, 3DEXPERIENCE and cloud, continue to build momentum, increasing 15% and 21%, respectively.

Our third quarter earnings per share rose 17%, to €0.26, outperforming our objectives and reflecting a favorable US Dollar impact. We reported an operating margin of 31.6%, in line with our target range, while hiring nearly 800 net new team members during the quarter. Years of strategic investments in technology, infrastructure and our organization enable us to protect profitability while continuing to invest in advance of our clients' needs.

Turning to 2022, we are reaffirming our total revenue growth objective of 9-10% to a higher absolute range of €5.610-€5.650 from €5.485-€5.535 previously, incorporating the full benefit of currency. We are adjusting our recurring revenue growth target to 9-10%, from 9% previously, and our license growth target to 5-7%, from 9-11% previously. In addition, we are raising our 2022 diluted EPS objective to 18%-19% growth, reaching €1.12 to €1.14, keeping us on track to be fully deleveraged by year-end.”

Financial Objectives for 2022

Dassault Systèmes' fourth quarter and full year 2022 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2022 currency exchange rate assumptions for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q4 2022	FY 2022
Total Revenue (billion)	€1.528 to €1.568	€5.610 to €5.650
Growth	12-15%	15-16%
Growth ex FX	8-10%	9-10%
Software revenue growth *	8-10%	9%
<i>Of which licenses and other software revenue growth *</i>	2-7%	5-7%
<i>Of which recurring revenue growth *</i>	10-11%	9-10%
Services revenue growth *	6-11%	11-12%
Operating Margin	34.9% – 35.9%	33.4% – 33.7%
EPS Diluted	€0.32 - €0.34	€1.12 - €1.14
Growth	12-18%	18-19%
<i>US dollar</i>	<i>\$1.05 per Euro</i>	<i>\$1.06 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 139.0 per Euro</i>	<i>JPY 136.7 per Euro</i>

* Growth in Constant Currencies

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

The 2022 non-IFRS financial objectives set forth above do not take into account the following accounting elements below and are estimated based upon the 2022 principal currency exchange rates above: no significant contract liabilities write-downs; share-based compensation expenses, including related social charges, estimated at approximately €172.5 million (these estimates do not include any new stock option or share grants issued after September 30, 2022); amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €400.5 million, largely impacted by the acquisition of Medidata; and lease incentives of acquired companies at approximately €3.0 million.

The above objectives also do not include any impact from other operating income and expenses, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments. Finally, these estimates do not include any new acquisitions or restructuring completed after September 30, 2022.

Mergers & Acquisitions

Dassault Systemes Acquires StyleSage, Cloud-Based Market Intelligence Platform to Enhance CENTRIC PLM's Offering: New York-based StyleSage's proprietary, cloud-native platform provides retailers with AI-powered competitive assortment benchmarking, price optimization, and trend forecasting. StyleSage's leading technology and AI expertise in image recognition compliment CENTRIC PLMs offering, adding real-world evidence capture and insight generation. This will provide CENTRIC PLM clients compelling end-to-end solutions, enable price improvement, margin and profit visibility as well as optimization across the organization. StyleStage also brings strong leadership and talent to the CENTRIC PLM team.

Corporate Announcements

- September 27, 2022: Dassault Systèmes: In New Drive for Growth, UK Grocer Asda Selects Dassault Systèmes' Planning and Optimization Solutions to Transform its Transport Operation
- September 19, 2022: Software République adds six more start-ups to its incubator and announces a new project to develop an app to estimate driver drowsiness
- September 12, 2022: Dassault Systèmes Acquires Diota, Bringing Augmented Reality and Field Control Technology to Its Manufacturing and Operations Customers
- August 29, 2022: Bridge Biotherapeutics implements Medidata technology to develop a novel therapy for idiopathic pulmonary fibrosis
- July 27, 2022: Medidata Supports White House Cancer Moonshot Effort with its Patient Cloud Technologies
- July 26, 2022: Dassault Systèmes Extends Agreement with Hyundai Motor by Five Years

Today's Webcast and Conference Call Information

Today, Wednesday, October 26, 2022, Dassault Systèmes will host, from London, a webcasted presentation at 9:00 AM London Time/ 10:00 AM Paris time, and will then host a conference call at 9:00 AM New York time / 2:00 PM London time / 3:00 PM Paris time. The webcasted presentation and conference calls will be available online by accessing investor.3ds.com.

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

Investor Relations Events

- Fourth Quarter 2022 Earnings Release: February 2, 2023
- First Quarter 2023 Earnings Release: April 26, 2023
- Second Quarter 2023 Earnings Release: July 25, 2023
- Third Quarter 2023 Earnings Release: October 25, 2023

Forward-looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Group's non-IFRS financial performance objectives are forward-looking statements. Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors.

The Group's actual results or performance may be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section 1.9 of the 2021 Universal Registration Document ('Document d'enregistrement universel') filed with the AMF (French Financial Markets Authority) on March 17, 2022, available on the Group's website www.3ds.com.

In particular, please refer to the risk factor "Uncertain Global Economic Environment" in section 1.9.1.1 of the 2021 Universal Registration Document set out below for ease of reference:

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

- the deployment of Dassault Systèmes' solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global geopolitical, economic and health conditions and the lack of visibility or the lack of financial resources may cause some customers, e.g. within automotive, aerospace or natural resources industries, to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base, which impact larger customers' revenue with their respective sub-contractors;

- the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and impact Dassault Systèmes' business, for example, due to stricter export compliance rules or the introduction of new customs tariffs;
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries;
- current inflation forecasts, as well as uncertainties regarding the extent and duration of this trend, could adversely affect the financial condition of Dassault Systèmes; and
- the sales cycle of the Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen.

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

Dassault Systèmes makes every effort to take into consideration this uncertain macroeconomic outlook. Dassault Systèmes' business results, however, may not develop as anticipated. Furthermore, due to factors affecting sales of Dassault Systèmes' products and services, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results."

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.05 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY139.0 to €1.00, before hedging for the fourth quarter 2022. The Group has in particular assumed an average US dollar to euro exchange rate of US\$1.06 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY136.7 to €1.00, before hedging for the full year 2022. However, currency values fluctuate, and the Group's results may be significantly affected by changes in exchange rates.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS financial information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Specific limitations for individual non-IFRS measures are set forth in the Company's 2021 Universal Registration Document filed with the AMF on March 17, 2022.

In the tables accompanying this press release the Group sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets and of tangibles reevaluation, certain other operating income and

expense, net, including impairment of goodwill and acquired intangibles, the effect of adjusting lease incentives of acquired companies, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

FOR MORE INFORMATION

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

Connect with Dassault Systèmes on



ABOUT DASSAULT SYSTÈMES

Dassault Systèmes, the **3DEXPERIENCE** Company, is a catalyst for human progress. We provide business and people with collaborative 3D virtual environments to imagine sustainable innovations. By creating virtual twin experiences of the real world with our 3DEXPERIENCE platform and applications, our customers push the boundaries of innovation, learning and production to achieve a more sustainable world for patients, citizens, and consumers. Dassault Systèmes brings value to more than 300,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com

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APPENDIX TABLE OF CONTENTS

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

Glossary of Definitions

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Acquisitions and Foreign Exchange Impact

Condensed consolidated statements of income

Condensed consolidated balance sheet

Condensed consolidated cash flow statement

IFRS – non-IFRS reconciliation

DASSAULT SYSTÈMES - Glossary of Definitions

Information in Constant Currencies

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

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

Information on Growth excluding acquisitions (“organic growth”)

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

Information on Industrial Sectors

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

- Manufacturing industries Sector: Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods & Retail;
- Life Sciences & Healthcare Sector: Life Sciences & Healthcare;
- Infrastructure & Cities Sector: Infrastructure, Energy & Materials; Architecture, Engineering & Construction; Cities, Public & Business Services.

Information on Product Lines

Our product lines financial reporting include the following financial information:

- Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES, and 3DEXCITE brands;
- Life Sciences software revenue, comprised of our MEDIDATA and BIOVIA brands;

- Mainstream Innovation software revenue, comprised of our CENTRIC PLM and 3DVIA brands, as well as our **3DEXPERIENCE WORKS** family which includes the SOLIDWORKS brand.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of **3DEXPERIENCE** software, we utilize the following ratios:

- for Licenses revenue, we calculate the percentage contribution by comparing total **3DEXPERIENCE** Licenses revenue to Licenses revenue for all product lines except SOLIDWORKS and acquisitions (“related Licenses revenue”);
- for software revenue, the Group calculates the percentage contribution by comparing total **3DEXPERIENCE** software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions (“related software revenue”).

Cloud Revenue

Cloud revenues correspond to revenue generated through a catalog of online services delivered by Dassault Systèmes via a cloud infrastructure hosted by Dassault Systèmes, or by third party providers of cloud computing infrastructure services. This offering is available through different deployment methods: Public cloud, Private cloud, Dedicated cloud. All cloud applications can be offered through perpetual licenses and maintenance or subscriptions models.

DASSAULT SYSTÈMES

NON-IFRS FINANCIAL INFORMATION

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

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

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

In millions of Euros, except per share data, percentages, headcount and exchange rates	Non-IFRS reported							
	Three months ended				Nine months ended			
	September 30, 2022	September 30, 2021	Change	Change in constant currencies	September 30, 2022	September 30, 2021	Change	Change in constant currencies
Total Revenue	€ 1,373.0	€ 1,158.8	18%	8%	€ 4,081.6	€ 3,493.9	17%	9%
Revenue breakdown by activity								
Software revenue	1,229.9	1,044.7	18%	8%	3,685.6	3,164.4	16%	9%
<i>Of which licenses and other software revenue</i>	221.3	208.3	6%	(2)%	727.5	635.2	15%	7%
<i>Of which subscription and support revenue</i>	1,008.6	836.4	21%	10%	2,958.1	2,529.2	17%	9%
Services revenue	143.1	114.1	26%	16%	396.0	329.5	20%	13%
Software revenue breakdown by product line								
Industrial Innovation	623.5	555.3	12%	6%	1,940.2	1,735.6	12%	7%
Life Sciences	294.6	226.5	30%	13%	823.8	654.7	26%	13%
Mainstream Innovation	311.7	262.9	19%	5%	921.7	774.1	19%	8%
Software Revenue breakdown by geography								
Americas	510.0	401.9	27%	7%	1,483.1	1,219.8	22%	8%
Europe	421.2	370.7	14%	9%	1,281.2	1,135.4	13%	9%
Asia	298.7	272.2	10%	6%	921.4	809.2	14%	11%
Operating income	€ 433.5	€ 392.1	11%		€ 1,339.9	€ 1,163.3	15%	
Operating margin	31.6%	33.8%			32.8%	33.3%		
Net income attributable to shareholders	€ 347.0	€ 296.5	17%		€ 1,056.3	€ 885.1	19%	
Diluted earnings per share ⁽¹⁾	€ 0.26	€ 0.22	17%	6%	€ 0.80	€ 0.67	19%	11%
Closing headcount	24,162	21,991	10%		24,162	21,991	10%	
Average Rate USD per Euro	1.01	1.18	(15)%		1.06	1.20	(11)%	
Average Rate JPY per Euro	139.16	129.76	7%		135.97	129.83	5%	

⁽¹⁾ 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021

DASSAULT SYSTÈMES

ACQUISITIONS AND FOREIGN EXCHANGE IMPACT

(unaudited; in millions of Euros)

In millions of Euros	Non-IFRS reported			o/w growth at constant rate and scope	o/w change of scope impact at current year rate	o/w FX impact on previous year figures
	September 30, 2022	September 30, 2021	Change			
Revenue QTD	1,373.0	1,158.8	214.2	104.2	1.0	109.0
Revenue YTD	4,081.6	3,493.9	587.8	342.1	1.5	244.2

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

In millions of Euros, except per share data and percentages	IFRS reported			
	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Licenses and other software revenue	221.3	208.3	727.5	635.2
Subscription and Support revenue	1,008.5	836.3	2,957.9	2,527.9
Software revenue	1,229.8	1,044.6	3,685.4	3,163.1
Services revenue	143.1	114.1	396.0	329.2
Total Revenue	€ 1,373.0	€ 1,158.7	€ 4,081.4	€ 3,492.4
Cost of software revenue ⁽¹⁾	(116.5)	(100.1)	(340.6)	(297.8)
Cost of services revenue	(115.6)	(92.2)	(331.8)	(285.6)
Research and development expenses	(287.2)	(233.8)	(805.6)	(700.2)
Marketing and sales expenses	(372.3)	(303.5)	(1,077.9)	(922.9)
General and administrative expenses	(105.0)	(93.7)	(304.6)	(283.5)
Amortization of acquired intangible assets and of tangible assets revaluation	(103.9)	(95.2)	(299.5)	(273.9)
Other operating income and expense, net	(7.8)	(3.2)	(10.5)	(27.3)
Total Operating Expenses	(1,108.3)	(921.7)	(3,170.4)	(2,791.2)
Operating Income	€ 264.7	€ 237.0	€ 911.0	€ 701.1
Financial income (loss), net	2.4	(4.7)	(7.3)	(12.6)
Income before income taxes	€ 267.1	€ 232.3	€ 903.7	€ 688.5
Income tax expense	(53.0)	(52.3)	(302.0)	(151.9)
Net Income	€ 214.1	€ 180.1	€ 601.7	€ 536.6
Non-controlling interest	0.4	(0.5)	1.1	0.0
Net Income attributable to equity holders of the parent	€ 214.5	€ 179.5	€ 602.9	€ 536.6
Basic earnings per share ⁽²⁾	0.16	0.14	0.46	0.41
Diluted earnings per share ⁽²⁾	€ 0.16	€ 0.14	€ 0.46	€ 0.41
Basic weighted average shares outstanding (in millions)	1,313.9	1,313.4	1,311.8	1,309.7
Diluted weighted average shares outstanding (in millions)	1,322.0	1,325.4	1,323.7	1,324.3

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

⁽²⁾ 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021

IFRS reported	Three months ended September 30, 2022		Nine months ended September 30, 2022	
	Change ⁽³⁾	Change in constant currencies	Change ⁽³⁾	Change in constant currencies
Total Revenue	18%	8%	17%	9%
Revenue by activity				
Software revenue	18%	8%	17%	9%
Services revenue	26%	16%	20%	13%
Software Revenue by product line				
Industrial Innovation	12%	6%	12%	7%
Life Sciences	30%	14%	26%	14%
Mainstream Innovation	19%	5%	19%	8%
Software Revenue by geography				
Americas	27%	7%	22%	8%
Europe	14%	9%	13%	9%
Asia	10%	6%	14%	11%

⁽³⁾ Variation compared to the same period in the prior year

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

In millions of Euros	IFRS reported	
	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	2,787.5	2,979.5
Trade accounts receivable, net	1,179.5	1,366.3
Contract assets	24.3	12.7
Other current assets	518.1	360.5
Total current assets	4,509.3	4,719.0
Property and equipment, net	850.0	817.0
Goodwill and Intangible assets, net	9,030.3	8,175.0
Other non-current assets	314.8	507.7
Total non-current assets	10,195.1	9,499.7
Total Assets	€ 14,704.5	€ 14,218.7
LIABILITIES AND EQUITY		
Trade accounts payable	209.1	192.4
Contract liabilities	1,454.7	1,304.4
Borrowings, current	253.7	903.3
Other current liabilities	698.3	1,070.3
Total current liabilities	2,615.8	3,470.3
Borrowings, non-current	2,741.8	2,966.4
Other non-current liabilities	1,521.7	1,571.0
Total non-current liabilities	4,263.5	4,537.4
Non-controlling interests	14.7	13.7
Parent shareholders' equity	7,810.6	6,197.3
Total Liabilities and equity	€ 14,704.5	€ 14,218.7

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

In millions of Euros	IFRS reported					
	Three months ended			Nine months ended		
	September 30, 2022	September 30, 2021	Change	September 30, 2022	September 30, 2021	Change
Net income attributable to equity holders of the parent	214.5	179.5	35.0	602.9	536.6	66.3
Non-controlling interest	(0.4)	0.5	(0.9)	(1.1)	0.0	(1.1)
Net income	214.1	180.1	34.0	601.7	536.6	65.1
Depreciation of property and equipment	46.2	43.4	2.8	139.4	130.4	9.0
Amortization of intangible assets	106.1	96.5	9.6	307.6	283.1	24.5
Adjustments for other non-cash items	28.5	25.2	3.3	225.2	104.4	120.8
Changes in working capital	(162.1)	(129.0)	(33.1)	6.6	194.9	(188.3)
Net Cash Provided by (Used in) Operating Activities	€ 232.8	€ 216.1	€ 16.7	€ 1,280.6	€ 1,249.4	€ 31.2
Additions to property, equipment and intangibles assets	(43.3)	(17.0)	(26.3)	(106.0)	(73.7)	(32.3)
Payment for acquisition of businesses, net of cash acquired	(5.4)	(7.4)	2.0	(12.7)	(7.4)	(5.3)
Other	(1.2)	(2.6)	1.4	(30.5)	(11.8)	(18.7)
Net Cash Provided by (Used in) Investing Activities	€ (49.8)	€ (26.9)	€ (22.9)	€ (149.1)	€ (92.9)	€ (56.2)
Proceeds from exercise of stock options	23.5	47.9	(24.4)	49.2	122.8	(73.6)
Cash dividends paid	-	-	-	(223.5)	(147.1)	(76.4)
Repurchase and sale of treasury stock	(4.0)	(161.9)	157.9	(606.5)	(256.3)	(350.2)
Capital increase	-	-	-	198.6	-	198.6
Acquisition of non-controlling interests	(0.1)	(0.1)	-	(0.6)	(0.1)	(0.5)
Proceeds from borrowings	252.1	1.3	250.8	255.8	1.3	254.5
Repayment of borrowings	(902.2)	(329.3)	(572.9)	(1,140.5)	(340.5)	(800.0)
Repayment of lease liabilities	(24.6)	(24.0)	(0.6)	(74.4)	(73.2)	(1.2)
Net Cash Provided by (Used in) Financing Activities	€ (655.3)	€ (466.1)	€ (189.2)	€ (1,541.9)	€ (693.1)	€ (848.8)
Effect of exchange rate changes on cash and cash equivalents	102.7	28.3	74.4	218.4	58.2	160.2
Increase (decrease) in cash and cash equivalents	€ (369.6)	€ (248.6)	€ (121.0)	€ (192.0)	€ 521.5	€ (713.5)
Cash and cash equivalents at beginning of period	€ 3,157.0	€ 2,919.0		€ 2,979.5	€ 2,148.9	
Cash and cash equivalents at end of period	€ 2,787.5	€ 2,670.4		€ 2,787.5	€ 2,670.4	

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

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

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's *Document d'Enregistrement Universel* for the year ended December 31, 2021 filed with the AMF on March 17, 2022. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Three months ended September 30,						Change	
	2022		2021		2021		IFRS	Non-IFRS ⁽²⁾
	IFRS	Adjustment ⁽¹⁾	Non-IFRS	IFRS	Adjustment ⁽¹⁾	Non-IFRS		
Total Revenue	€ 1,373.0	€ 0.1	€ 1,373.0	€ 1,158.7	€ 0.1	€ 1,158.8	18%	18%
Revenue breakdown by activity								
Software revenue	1,229.8	0.1	1,229.9	1,044.6	0.1	1,044.7	18%	18%
Licenses and other software revenue	221.3	-	221.3	208.3	-	208.3	6%	6%
Subscription and Support revenue	1,008.5	0.1	1,008.6	836.3	0.1	836.4	21%	21%
<i>Recurring portion of Software revenue</i>	<i>82%</i>		<i>82%</i>	<i>80%</i>		<i>80%</i>		
Services revenue	143.1	-	143.1	114.1	-	114.1	26%	26%
Software Revenue breakdown by product line								
Industrial Innovation	623.5	-	623.5	555.3	-	555.3	12%	12%
Life Sciences	294.6	-	294.6	226.5	-	226.5	30%	30%
Mainstream Innovation	311.7	0.1	311.7	262.9	0.1	262.9	19%	19%
Software Revenue breakdown by geography								
Americas	510.0	-	510.0	401.9	0.1	401.9	27%	27%
Europe	421.2	-	421.2	370.6	0.0	370.7	14%	14%
Asia	298.7	-	298.7	272.2	-	272.2	10%	10%
Total Operating Expenses	€ (1,108.3)	€ 168.8	€ (939.5)	€ (921.7)	€ 155.0	€ (766.7)	20%	23%
Share-based compensation expense and related social charges	(56.3)	56.3	-	(56.0)	56.0	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(103.9)	103.9	-	(95.2)	95.2	-		
Lease incentives of acquired companies	(0.8)	0.8	-	(0.7)	0.7	-		
Other operating income and expense, net	(7.8)	7.8	-	(3.2)	3.2	-		
Operating Income	€ 264.7	€ 168.8	€ 433.5	€ 237.0	€ 155.1	€ 392.1	12%	11%
Operating Margin	19.3%		31.6%	20.5%		33.8%		
Financial income (loss), net	2.4	1.5	3.9	(4.7)	0.4	(4.2)	(152)%	(193)%
Income tax expense	(53.0)	(37.5)	(90.5)	(52.3)	(37.7)	(89.9)	1%	1%
Non-controlling interest	0.4	(0.4)	0.1	(0.5)	(0.9)	(1.5)	(181)%	(105)%
Net Income attributable to shareholders	€ 214.5	€ 132.5	€ 347.0	€ 179.5	€ 116.9	€ 296.5	20%	17%
Diluted Earnings Per Share ⁽³⁾	€ 0.16	€ 0.10	€ 0.26	€ 0.14	€ 0.09	€ 0.22	20%	17%

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

In millions of Euros, except percentages	Three months ended September 30,								Change	
	2022 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2022 Non- IFRS	2021 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2021 Non- IFRS	IFRS	Non- IFRS
Cost of revenue	(232.0)	2.8	0.2	(229.0)	(192.3)	3.2	0.2	(188.9)	21%	21%
Research and development expenses	(287.2)	22.0	0.3	(264.8)	(233.8)	21.2	0.3	(212.3)	23%	25%
Marketing and sales expenses	(372.3)	15.3	0.1	(356.9)	(303.5)	17.1	0.1	(286.3)	23%	25%
General and administrative expenses	(105.0)	16.1	0.1	(88.9)	(93.7)	14.5	0.1	(79.1)	12%	12%
Total		€ 56.3	€ 0.8			€ 56.0	€ 0.7			

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

⁽³⁾ Based on a weighted average 1,322.0 million diluted shares for Q3 2022 and 1,325.4 million diluted shares for Q3 2021. 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021

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

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

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's *Document d'Enregistrement Universel* for the year ended December 31, 2021 filed with the AMF on March 17, 2022. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Nine months ended September 30,						Change	
	2022		2022	2021		IFRS	Non-IFRS ⁽²⁾	
	IFRS	Adjustment ⁽¹⁾	Non-IFRS	IFRS	Adjustment ⁽¹⁾			Non-IFRS
Total Revenue	€ 4,081.4	€ 0.2	€ 4,081.6	€ 3,492.4	€ 1.5	€ 3,493.9	17%	17%
Revenue breakdown by activity								
Software revenue	3,685.4	0.2	3,685.6	3,163.1	1.3	3,164.4	17%	16%
Licenses and other software revenue	727.5	-	727.5	635.2	-	635.2	15%	15%
Subscription and Support revenue	2,957.9	0.2	2,958.1	2,527.9	1.3	2,529.2	17%	17%
<i>Recurring portion of Software revenue</i>	<i>80%</i>		<i>80%</i>	<i>80%</i>		<i>80%</i>		
Services revenue	396.0	-	396.0	329.2	0.2	329.5	20%	20%
Software Revenue breakdown by product line								
Industrial Innovation	1,940.2	-	1,940.2	1,735.6	-	1,735.6	12%	12%
Life Sciences	823.8	-	823.8	653.7	1.0	654.7	26%	26%
Mainstream Innovation	921.5	0.2	921.7	773.8	0.3	774.1	19%	19%
Software Revenue breakdown by geography								
Americas	1,483.0	0.1	1,483.1	1,218.7	1.1	1,219.8	22%	22%
Europe	1,281.1	0.1	1,281.2	1,135.3	0.1	1,135.4	13%	13%
Asia	921.4	-	921.4	809.2	-	809.2	14%	14%
Total Operating Expenses	€ (3,170.4)	€ 428.6	€ (2,741.7)	€ (2,791.2)	€ 460.7	€ (2,330.5)	14%	18%
Share-based compensation expense and related social charges	(116.4)	116.4	-	(157.4)	157.4	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(299.5)	299.5	-	(273.9)	273.9	-		
Lease incentives of acquired companies	(2.2)	2.2	-	(2.1)	2.1	-		
Other operating income and expense, net	(10.5)	10.5	-	(27.3)	27.3	-		
Operating Income	€ 911.0	€ 428.9	€ 1,339.9	€ 701.1	€ 462.2	€ 1,163.3	30%	15%
Operating Margin	22.3%		32.8%	20.1%		33.3%		
Financial income (loss), net	(7.3)	2.2	(5.0)	(12.6)	1.2	(11.4)	(42)%	(56)%
Income tax expense	(302.0)	23.3	(278.8)	(151.9)	(111.3)	(263.2)	99%	6%
Non-controlling interest	1.1	(0.9)	0.2	0.0	(3.6)	(3.6)	N/A	(106)%
Net Income attributable to shareholders	€ 602.9	€ 453.4	€ 1,056.3	€ 536.6	€ 348.5	€ 885.1	12%	19%
Diluted Earnings Per Share ⁽³⁾	€ 0.46	€ 0.34	€ 0.80	€ 0.41	€ 0.26	€ 0.67	12%	19%

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

In millions of Euros, except percentages	Nine months ended September 30,								Change	
	2022 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2022 Non- IFRS	2021 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2021 Non- IFRS	IFRS	Non- IFRS
Cost of revenue	(672.4)	6.1	0.7	(665.6)	(583.4)	10.1	0.6	(572.7)	15%	16%
Research and development expenses	(805.6)	43.0	0.9	(761.6)	(700.2)	55.3	0.9	(644.0)	15%	18%
Marketing and sales expenses	(1,077.9)	33.3	0.4	(1,044.2)	(922.9)	45.0	0.3	(877.6)	17%	19%
General and administrative expenses	(304.6)	34.0	0.3	(270.3)	(283.5)	47.0	0.2	(236.3)	7%	14%
Total		€ 116.4	€ 2.2			€ 157.4	€ 2.1			

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

⁽³⁾ Based on a weighted average 1,323.7 million diluted shares for YTD 2022 and 1,324.3 million diluted shares for YTD 2021. 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021