

Dassault Systèmes Delivers Strong 2021 Results, With Fourth Quarter Well Aligned With Guidance

[Dassault Systèmes](#) (Euronext Paris: FR0014003TT8, DSY.PA), today announced IFRS unaudited financial results for the fourth quarter and year ended December 31, 2021. The Group's Board of Directors approved these results on February 2, 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, in constant currencies, diluted EPS)

- As reported, 4Q21 IFRS EPS increased 15% to €0.18, non-IFRS EPS grew 17% to €0.29
- 4Q21 total revenue and software revenue increased 10%, with licenses & other software revenue up 15% and support & subscription up 8% (non-IFRS)
- FY21: as reported IFRS EPS increased 56%, non-IFRS rose 26%; IFRS & non-IFRS total revenue grew 11%; IFRS software revenue rose 12%, non-IFRS software revenue was up 11%; non-IFRS operating margin of 34.3%
- FY21 non-IFRS **3DEXPERIENCE** software revenue rose 15%, driven by strong subscription growth
- FY21 cash flow from operations increased 30% to €1.613 billion (IFRS)
- FY2022 non-IFRS objectives: revenue growth of 9%-10% to €5.30-€5.35 billion; EPS reported growth of 3%-6% to €0.98-€1.00

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

"Ten years ago, in February 2012, we unveiled our new brand identity to the world – "The **3DEXPERIENCE** Company" – and our corporate purpose – "harmonize product, nature and life". Today, the significance of our strategy is clear: our clients and partners have embraced the experience economy. They are transforming all sectors and industries with sustainability and human centricity as central pillars of a new era. We see this reflected in our great 2021 achievements.

The experience economy, accelerated by the pandemic, triggers new categories of expectations from citizens, patients, learners and consumers. This is apparent in our everyday life. Tomorrow's mobility is no longer a matter of vehicles. It's a matter of desirable, sustainable mobility experiences. Tomorrow's healthcare is much more than therapeutics. It's about the patient journey and precision medicine. Tomorrow's cities are not only a collection of buildings, streets and facilities. It's about quality of life and quality of service. To support these transformations, we need to take a more holistic approach. I believe the innovators of today and tomorrow have to think in terms of "universes", that is to say in terms of organic systems of systems that create,

produce and play an experience in a circular economy. With the **3DEXPERIENCE IFWE Loop**, we can provide this holistic view combining value creation and value experienced, design and usage, to cover the full experience lifecycle. We can make this a reality through virtual twin experiences based on modeling and simulation, real world evidence and immersive virtual reality.

I truly believe the ongoing transformation toward a sustainable economy will mark this century.

We recently celebrated the 40th anniversary of Dassault Systèmes: two generations of innovators have revealed the power of virtual worlds to imagine and create disruptive innovations. We are now focused on our next horizon: 2040. Our objective is to be the leader in sustainable innovation and to continue to position our clients at the vanguard of progress across Manufacturing Industries, Life Sciences & Healthcare and Infrastructure & Cities.

To support our long-term initiatives, we have established the next generation of leaders. With Pascal Daloz as Chief Operating Officer and Rouven Bergmann as Chief Financial Officer, we are very well positioned to execute successfully against the tremendous opportunities ahead of us for many years to come.

Ultimately, all progress is human and Dassault Systèmes' purpose has never been more important. IFWE imagine the next twenty years, together we can make it a reality. “

Financial Summary

In millions of Euros, except per share data and percentages	IFRS				IFRS			
	Q4 2021	Q4 2020	Change	Change in constant currencies	YTD 2021	YTD 2020	Change	Change in constant currencies
Total Revenue	1,367.8	1,219.3	12%	10%	4,860.1	4,452.2	9%	11%
Software Revenue	1,239.5	1,105.3	12%	10%	4,402.6	4,012.6	10%	12%
Operating Margin	23.3%	23.2%	+0.0pt		21.0%	15.0%	+5.9pts	
Diluted EPS *	0.18	0.15	15%		0.58	0.37	56%	

In millions of Euros, except per share data and percentages	Non-IFRS				Non-IFRS			
	Q4 2021	Q4 2020	Change	Change in constant currencies	YTD 2021	YTD 2020	Change	Change in constant currencies
Total Revenue	1,367.9	1,219.6	12%	10%	4,861.7	4,464.8	9%	11%
Software Revenue	1,239.6	1,105.7	12%	10%	4,404.0	4,024.0	9%	11%
Operating Margin	36.8%	36.0%	+0.8pt		34.3%	30.2%	+4.0pts	
Diluted EPS *	0.29	0.24	17%		0.95	0.75	26%	

* 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021

Fourth Quarter 2021 Versus 2020 Financial Comparisons

(unaudited, all revenue growth rates in constant currencies)

- **Total Revenue:** Total revenue grew 10%, IFRS and non-IFRS, to €1.37 billion. Software revenue increased 10%, IFRS and non-IFRS. Non-IFRS recurring revenue (support & subscription) rose 8% and accounted for 72% of total software revenue. Licenses and other software revenue increased 15% (IFRS and non-IFRS) to €347.6 million. Services revenue increased 10%, IFRS and non-IFRS.
- **Software Revenue by Geography (non-IFRS):** Revenue growth was broad-based across regions. The Americas grew 7% and represent 37% of software revenue. Europe, led by France, Southern Europe and Germany, rose 10% to 40% of software revenue. Asia increased 12% to 23% of software revenue, with China up 10%. The Group also saw noteworthy strength in India and Japan.
- **Software Revenue by Product Line:**
 - **Industrial Innovation** IFRS and non-IFRS software revenue rose 8% to €682.3 million, representing 55% of software revenue. SIMULIA and DELMIA continued to perform well, benefiting from larger client wins.
 - **Life Sciences** software revenue totaled €245.1 million (IFRS and non-IFRS), an increase of 9%, representing 20% of software revenue. MEDIDATA delivered excellent performance, growing over 15% on the back of a high comparison base. MEDIDATA continues to see strong momentum across its product portfolio including MEDIDATA Rave, MEDIDATA Acorn AI and MEDIDATA Patient Cloud, as well as across end markets including pharmaceutical and biotechnology companies and contract research organizations (CROs).
 - **Mainstream Innovation** software revenue was €312.1 million in IFRS and €312.2 million in non-IFRS, an increase of 14% and representing 25% of software revenue. SOLIDWORKS continued to perform well against a strong baseline comparison, capitalizing on broad-based demand and benefiting from larger deal sizes. Our **3DEXPERIENCE WORKS** offering continues to see good adoption as clients increasingly recognize the value of leveraging the WORKS family technologies via the cloud. At CENTRIC PLM, momentum remained very strong.
- **Industries:** The majority of our end markets grew double digits again this quarter. Industrial Equipment, High-Tech and Home & Lifestyle were some of our strongest performing industries.
- **Key Growth Drivers:** Non-IFRS **3DEXPERIENCE** software revenue increased 8% to 33% of software revenue. The strong value proposition of the **3DEXPERIENCE** platform continues to be a key factor in driving large client wins. Non-IFRS cloud software revenue grew 20%, and represents 19% of non-IFRS software revenue. Cloud has been the preferred option for new entrants across all industries from EV mobility providers to high-tech and biotech companies. There is an acceleration of legacy clients – both at the enterprise and mainstream levels – recognizing the benefits of the cloud.

- **Operating Income and Margin:** IFRS operating income increased 12.3%, as reported. Non-IFRS operating income rose 14.7% to €502.9 million, as reported. Non-IFRS operating margin increased 80 basis points to 36.8%.
- **Earnings per Share:** IFRS diluted earnings per share increased 15% to €0.18. Non-IFRS diluted EPS increased 17% to €0.29.

Dassault Systèmes' Chief Operating Officer Commentary

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

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

“The strong business momentum we experienced throughout the year continued into the fourth quarter, resulting in performance well aligned with our objectives. Total revenue grew 10% with licenses and other software revenue increasing 15% and support and subscription rising 8%. Services revenue was up 10%. Diluted EPS grew 17%. Operating margin expanded 80 basis points year-over-year to 36.8%, versus the high-end of our guidance of 36.4%. We continued to invest in expanding our team during the quarter.

Overall, for 2021, we achieved excellent performance. Our three product lines delivered with Industrial Innovation growing 7%, Life Sciences increasing 16% and Mainstream Innovation up 18% on the back of broad based demand across regions and industries. In terms of strategic objectives, **3DEXPERIENCE** software revenue increased 15% with cloud software revenue rising 23%. Our **3DEXPERIENCE** platform has been a competitive advantage and key factor in driving new client wins. The cloud has been the preferred option for new entrants while we believe we're seeing an inflection point in incumbents recognizing the value of cloud deployment.

It's clear the strategic initiatives we undertook a decade ago – creating our **3DEXPERIENCE** platform, cloud infrastructure and introducing our purpose – are being validated. We are very well positioned to capitalize on the expansion of our total addressable market, expanding our footprint and leveraging our large, installed base with industry solutions.

We are thrilled to have Rouven Bergmann in the role of Chief Financial Officer. Since our acquisition of Medidata in 2019, Rouven has played a critical role in integrating our businesses and unlocking the potential for the Life Sciences' sector. It's been a pleasure working together and, as we extend our successful partnership, Rouven's significant experience will be indispensable in ensuring continuity in financial operations as we continue to deliver and scale game changing innovation for our clients.”

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:

“I am delighted to take on the position of Chief Financial Officer and build on the incredible effective partnership that Pascal and I have created since the acquisition of Medidata in late 2019. My primary focus, as CFO, will be to support the company's momentum as we continue to grow and to scale the business efficiently while accelerating the share of recurring revenue with subscriptions and cloud. For 2022, we are confident to continue our expansion, building on our strong track record and our success in 2021.

For 2022, we expect the broad-based demand dynamics we experienced in the fourth quarter to continue into next year. We are targeting non-IFRS total revenue growth of 9% to 10% in constant currencies and software revenue growth in the same range. Our diluted earnings per share objective is 3% to 6% growth, reaching €0.98 to €1.00.”

Fiscal 2021 Versus 2020 Financial Comparisons

(unaudited, all revenue growth rates in constant currencies)

- **Total Revenue:** IFRS and non-IFRS revenue rose 11%, organically, to €4.86 billion. Software revenue increased 12% IFRS and 11% non-IFRS to €4.40 billion. Non-IFRS recurring software revenue grew 8% to €3.42 billion, representing 78% of total non-IFRS software revenue; subscription revenue rose double digits. Licenses and other software revenue increased 23% IFRS and non-IFRS to €982.9 million. Services revenue increased 6% IFRS and non-IFRS.
- **Software Revenue by Geography (non-IFRS):** Americas rose 13% to 38% of software revenue. Europe grew 10% to 37% of software revenue. Asia increased 12% to 25% of software revenue. China and India grew 19%.
- **Software Revenue by Product Line:**
 - **Industrial Innovation** IFRS and non-IFRS software revenue rose 7% to €2.42 billion, with licenses and other revenue up 21%, driven by broad-based growth across brands. CATIA reported double digit licenses and other software revenue growth. SIMULIA and DELMIA also showed noteworthy strength.
 - **Life Sciences** IFRS software revenue grew 18% to €898.8 million; non-IFRS revenue rose 16% to €899.8 million. Business momentum exhibited consistent and broad-based strength.
 - **Mainstream Innovation** software revenue was €1.09 billion in IFRS and non-IFRS, rising 18%. CENTRIC PLM also performed well with high double digit non-IFRS software revenue growth.
- **Key Growth Drivers:** Non-IFRS 3DEXPERIENCE software revenue rose 15% to 30% of software revenue driven by very strong subscription growth. Non-IFRS cloud software revenue grew 23% to 20% of software revenue.
- **Operating Income and Margin:** IFRS operating income totaled €1.019 billion, an increase of 52.2%. Non-IFRS operating income totaled €1.666 billion, an increase of 23.4%. Our non-IFRS operating margin increased 400 basis points to 34.3%.
- **Earnings per Share:** IFRS diluted earnings per share were €0.58, an increase of 56%. On a non-IFRS basis, diluted EPS were €0.95, growing 26%.
- **Cash Flow from Operations (IFRS):** Cash flow from operations increased 30% to

€1.613 billion. Cash from operations was used principally for loan repayments of €341 million, treasury stock repurchases of €283 million as well as dividends payment of €147 million.

- **Balance Sheet (IFRS):** Dassault Systèmes' net financial debt at December 31, 2021 decreased by €1.152 billion to € (0.889) billion, compared to € (2.041) billion at December 31, 2020, reflecting cash, cash equivalents and short-term investments of €2.980 billion and debt related to borrowings of €3.870 billion at December 31, 2021. Dassault Systèmes' adjusted net debt /IFRS EBITDAO ratio stood at 0.8x at December 31, 2021, compared to 1.8x at December 31, 2020, based on an adjusted net debt including the lease liabilities as reported under IFRS 16 of €1.491 billion and an IFRS EBITDAO of €1.768 billion.

Financial Objectives for 2022

Dassault Systèmes' first 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:

	Q1 2022	FY 2022
Total Revenue	€1.275 to €1.300 billion	€5.300 to €5.350 billion
Growth	+9-11%	+9-10%
Growth ex FX	+7-9%	+9-10%
Software revenue growth *	+7-9%	+9-10%
<i>Of which licenses and other software revenue growth *</i>	+9-12%	+10-12%
<i>Of which recurring revenue growth *</i>	+7-9%	+9-9.5%
Services revenue growth *	+5-7%	+8-9%
Operating Margin	32.3% – 33.0%	32.7% – 33.1%
EPS Diluted	€0.23 - €0.24	€0.98 - €1.00
Growth	+3-7%	+3%-6%
<i>US dollar</i>	<i>\$1.17 per Euro</i>	<i>\$1.17 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 130.0 per Euro</i>	<i>JPY 130.0 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 €151 million (these estimates do not include any new stock option or share grants issued after December 31, 2021); amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €361 million, largely impacted by the acquisition of Medidata; and lease incentives of acquired companies at approximately €3 million. The above objectives also do not include any impact from other operating income and expenses, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments. Finally, these estimates do not include any new acquisitions or restructuring completed after December 31, 2021.

Corporate Announcements

- **February 3, 2022 Dassault Systèmes Announced Executive Committee Evolutions** to adapt current management structure and to fully align its long-term strategy with the company's governance and operational performance. Rouven Bergmann is appointed Chief Financial Officer and will report to Pascal Daloz who will fully focus on his mission as Chief Operating Officer, leading the organizational structure and supporting the company's ambition to drive innovation. Rouven has a faultless mastery of financial matters related to software and cloud and he has played an important role in the integration of Medidata Solutions, Inc., acquired by Dassault Systèmes in 2019. Joining Medidata in 2015 as Chief Financial Officer, he became Chief Operating Officer of Dassault Systèmes Life Sciences' sector after the acquisition.
- **January 20, 2022 Dassault Systèmes Successfully Completes its Global Employee Shareholding Program.** more than 10,000 employees, or nearly 55.4% of eligible employees, participated in the employee shareholding plan launched on October 11, 2021 and finalized on January 20, 2022. The total subscription amounts to €198.6 million, corresponding to 4.3 million shares subscribed at a price of €46.14. Consequently, the capital increase was completed on January 20, 2022. In order to neutralize the dilutive effect of this program, Dassault Systèmes will cancel in March 4.3 million treasury shares, acquired as part of its share-purchase program. Main terms of the operation were detailed in a press release dated October 11, 2021.
- **December 21, 2021 Renault Group and Dassault Systèmes Strengthen their Partnership to Accelerate Transformation with the 3DEXPERIENCE Platform:** The companies are reinforcing their 20-year collaboration with a new partnership contributing to Renault Group's strategic plan, "Renaulution", focused on value creation. Renault Group is adopting Dassault Systèmes' 3DEXPERIENCE platform on the cloud globally, to develop programs for new vehicles and mobility services. This enterprise platform will provide Renault with a new backbone for sharing, in real-time, all product-related data throughout the product life cycle, and for managing the virtual twins of its diverse product configurations.
- **December 16, 2021 Dassault Systèmes and NTT Communications Announce Alliance for Sustainable Smart Cities in Japan:** This first-of-its-kind alliance for Dassault Systèmes in this sector in Japan combines its 3DEXPERIENCE platform with NTT's Smart Data Platform for City transformation and operational systems. A scalable city platform can be used to address urban challenges related to sustainability and resilience in multiple domains such as energy use and optimized mobility. Collaboration, virtual twin technology and big data will drive value-creation projects on buildings, districts and cities.
- **December 9, 2021 Atos and Dassault Systèmes to Deliver Trusted Sovereign Cloud Platform Experience for Critical Industries:** This highly secure deployment enables collaborative cloud experiences while providing full control of data, processes, and intellectual property. The platform can be set up in any country, with respect to industry and local regulations. Clients – notably in the critical and sensitive defense and healthcare sectors - will benefit from the combination of Dassault Systèmes' 3DEXPERIENCE platform on the cloud and Atos' OneCloud Sovereign Shield.

- **December 2, 2021 NAAREA Chooses the 3DEXPERIENCE Platform to Develop the Virtual Twin of Its Extra Small Modular Reactor:** NAAREA, a newly created France-based company, will use Dassault Systèmes' 3DEXPERIENCE platform on the cloud to virtually design its solution, the XSMR extra small sustainable modular nuclear reactor. The XSMR is an ultra-compact clean energy source that uses fuel from existing reserves of industrial waste without consuming natural resources.
- **November 15, 2021 Centric Software, a Dassault Systèmes Company, Acquired the Innovative End-to-End Retail Planning Solution Provider, Armonica Retail:** Founded in 2018 in Milan, Italy, Armonica provides innovative cloud-native solutions enabling companies to orchestrate an integrated process from planning to development to delivery to omni-channel sales. Armonica's solutions and CENTRIC PLM will deliver digital transformation that provides users significant potential value via the ability to plan, visualize and execute business, based on real-time plan versus actual feedback throughout the entire product lifecycle.
- **November 23, 2021 QEV Technologies Uses the 3DEXPERIENCE Platform from Dassault Systèmes in Race to Deliver Cleaner, More Sustainable E-Mobility:** QEV Technologies, a Spain-based e-mobility and research and development specialist with extensive expertise in electric race cars, is deploying the 3DEXPERIENCE platform on the cloud to optimize its performance and support its growth as it works to develop cleaner, more sustainable mobility experiences for car manufacturing customers.
- **November 9, 2021 Industry-First Virtual Trials to Begin on Lightweighting Glass Bottles:** Three industry leaders in sustainable solutions for the glass industry are coming together to collaborate on innovative technology to increase the strength and thereby significantly reduce the weight of glass bottles. Dassault Systèmes, Ardagh Group and EXXERGY will begin 'virtual twin' trials on Diageo's iconic Johnnie Walker bottle in January 2022 to research and develop a coating that will enable the glass bottle to be lightweighted without compromising its strength and shape – an industry first.

Today's Webcast and Conference Call Information

Today, Thursday, February 3, 2022, Dassault Systèmes will host 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 call 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.

Key Investor Relations Events

First Quarter 2022 Earnings Release: April 27, 2022

Capital Markets Day: June 16, 2022

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 2020 Universal Registration Document ('Document d'enregistrement universel') filed with the AMF (French Financial Markets Authority) on March 19, 2021, as updated in the 2021 Half-Year Financial Report ('Rapport Financier Semestriel' as of June 30, 2021) filed with the AMF on July 27, 2021, both 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 2020 Universal Registration Document set out below for ease of reference:

"In light of the uncertainties regarding economic, business, social, health, climate 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 sales cycle of Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen;
- the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and, for example, result in stricter export compliance rules or the modification of customs tariff;
- health conditions in some geographic areas where Dassault Systèmes operates will impact the economic situation of those regions. Specifically, it is not possible to predict the impact, length and scope of damages originating from the COVID-19 pandemic as of issuance date of this document. Health conditions, including the COVID-19 pandemic, may present risks for health and ability to travel for Dassault Systèmes employees; and
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' industry diversification efforts."

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 Group's business results.

The economic context (as notably caused by the COVID-19 pandemic crisis) may 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 due to cash flow and profitability issues. Dassault Systèmes' ability to collect outstanding receivables may be affected. In addition, the economic environment could generate increased price pressure, as customers seek lower prices from various competitors, which could negatively impact Dassault Systèmes' revenue, financial performance and market position.

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.17 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY130.0 to €1.00 before hedging for the first quarter and 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 2020 Universal Registration Document filed with the AMF on March 19, 2021.

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>

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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. 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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(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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Condensed consolidated balance sheets

Condensed consolidated cash flow statements

IFRS – non-IFRS reconciliation

DASSAULT SYSTEMES - Glossary of Definitions

Information in Constant Currencies

We 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 line. 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. Variations in constant currencies are obtained by comparing the performances of the current period with the ones of the comparable period recalculated using the average exchange rates of the current period.

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 constant currency information is provided on an approximate basis.

Information on Growth excluding acquisitions (“organic growth”)

In addition to financial indicators on the entire Group’s scope, Dassault Systèmes provides growth excluding the impact of acquisitions, also named organic growth. The related growth rate is determined by restating the scope of activity as follows: for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year and, for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1st of the current year, until the last day of the month of the current year when the acquisition was made the previous year.

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: Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods & Retail and a portion of Business Services;
- Life Sciences & Healthcare: Life Sciences & Healthcare;
- Infrastructure & Cities: Energy & Materials; Construction, Cities and Territories; Business Services.

Information on Product Lines

Our product lines financial reporting include: 1) Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES, and 3DEXCITE brands; 2) Life Sciences software revenue, comprised of our MEDIDATA and BIOVIA brands; and 3) Mainstream Innovation software revenue, comprised of CENTRIC PLM and 3DVIA brands as well as our 3DEXPERIENCE WORKS family which includes our SOLIDWORKS brand.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of **3DEXPERIENCE** software, we use the following ratios: a) 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”); and, b) 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 revenue corresponds 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.

Adjusted Net Debt

The Adjusted Net Debt corresponds to the net financial debt position (borrowings net of cash, cash equivalent and short-term investments) adjusted of IFRS 16 lease liabilities.

IFRS EBITDAO (Earnings Before Interest, Taxes and Amortization Operating)

The IFRS EBITDAO corresponds to the IFRS operating income adjusted of amortization, depreciation and impairment expense of intangible and tangible assets and of non-cash share-based payment expense (excluding related social charges).

DASSAULT SYSTEMES 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				Twelve months ended			
	December 31, 2021	December 31, 2020	Change	Change in constant currencies	December 31, 2021	December 31, 2020	Change	Change in constant currencies
Total Revenue	€ 1,367.9	€ 1,219.6	12%	10%	€ 4,861.7	€ 4,464.8	9%	11%
Revenue breakdown by activity								
Software revenue	1,239.6	1,105.7	12%	10%	4,404.0	4,024.0	9%	11%
<i>Of which licenses and other software revenue</i>	347.6	298.9	16%	15%	982.9	807.5	22%	23%
<i>Of which subscription and support revenue</i>	891.9	806.7	11%	8%	3,421.1	3,216.5	6%	8%
Services revenue	128.3	114.0	13%	10%	457.8	440.8	4%	6%
Software revenue breakdown by product line								
Industrial Innovation ⁽¹⁾	682.3	623.8	9%	8%	2,417.9	2,288.5	6%	7%
Life Sciences ⁽²⁾	245.1	218.4	12%	9%	899.8	797.3	13%	16%
Mainstream Innovation	312.2	263.5	18%	14%	1,086.3	938.3	16%	18%
Revenue breakdown by geography								
Americas	506.4	438.3	16%	11%	1,867.7	1,700.4	10%	13%
Europe	553.6	495.8	12%	10%	1,830.7	1,675.6	9%	9%
Asia	307.8	285.5	8%	7%	1,163.4	1,088.8	7%	9%
Operating income	€ 502.9	€ 438.5	15%		€ 1,666.2	€ 1,349.8	23%	
Operating margin	36.8%	36.0%			34.3%	30.2%		
Net income attributable to shareholders	€ 380.2	€ 323.0	18%		€ 1,265.3	€ 994.7	27%	
Diluted earnings per share ⁽³⁾	€ 0.29	€ 0.24	17%		€ 0.95	€ 0.75	26%	
Closing headcount	22,306	21,497	4%		22,306	21,497	4%	
Average Rate USD per Euro	1.14	1.19	(4)%		1.18	1.14	4%	
Average Rate JPY per Euro	130.01	124.61	4%		129.88	121.85	7%	

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management

⁽³⁾ 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021

DASSAULT SYSTEMES 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
	December 31, 2021	December 31, 2020	Change			
Revenue QTD	1,367.9	1,219.6	148.2	116.7	2.1	29.4
Revenue YTD	4,861.7	4,464.8	396.9	468.6	4.5	(76.2)

DASSAULT SYSTEMES
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		Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Licenses and other software revenue	347.6	298.9	982.9	807.5
Subscription and Support revenue	891.8	806.4	3,419.7	3,205.2
Software revenue	1,239.5	1,105.3	4,402.6	4,012.6
Services revenue	128.3	113.9	457.5	439.6
Total Revenue	€ 1,367.8	€ 1,219.3	€ 4,860.1	€ 4,452.2
Cost of software revenue ⁽¹⁾	(109.5)	(92.5)	(407.3)	(341.5)
Cost of services revenue	(97.4)	(91.5)	(383.0)	(408.1)
Research and development expenses	(249.0)	(231.7)	(949.3)	(935.4)
Marketing and sales expenses	(377.0)	(314.9)	(1,299.9)	(1,256.3)
General and administrative expenses	(117.3)	(106.4)	(400.8)	(390.7)
Amortization of acquired intangible assets and of tangible assets revaluation	(95.1)	(91.8)	(369.0)	(394.5)
Other operating income and expense, net	(4.0)	(7.1)	(31.3)	(56.0)
Total Operating Expenses	(1,049.5)	(936.0)	(3,840.7)	(3,782.5)
Operating Income	€ 318.3	€ 283.3	€ 1,019.4	€ 669.7
Financial loss, net	(2.5)	(4.4)	(15.1)	(23.4)
Income before income taxes	€ 315.8	€ 278.9	€ 1,004.3	€ 646.3
Income tax expense	(78.5)	(73.7)	(230.4)	(160.8)
Net Income	€ 237.3	€ 205.1	€ 773.8	€ 485.5
Non-controlling interest	(0.2)	(1.4)	(0.2)	5.5
Net Income attributable to equity holders of the parent	€ 237.1	€ 203.7	€ 773.7	€ 491.0
Basic earnings per share ⁽²⁾	0.18	0.16	0.59	0.38
Diluted earnings per share ⁽²⁾	€ 0.18	€ 0.15	€ 0.58	€ 0.37
Basic weighted average shares outstanding (in millions)	1,311.5	1,305.8	1,309.8	1,302.2
Diluted weighted average shares outstanding (in millions)	1,333.3	1,322.1	1,332.1	1,320.9

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

⁽²⁾ 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021

IFRS reported	Three months ended December 31, 2021		Twelve months ended December 31, 2021	
	Change ⁽⁵⁾	Change in constant currencies	Change ⁽⁵⁾	Change in constant currencies
Revenue	12%	10%	9%	11%
Revenue by activity				
Software revenue	12%	10%	10%	12%
Services revenue	13%	10%	4%	6%
Software Revenue by product line				
Industrial Innovation ⁽³⁾	9%	8%	6%	7%
Life Sciences ⁽⁴⁾	12%	9%	14%	18%
Mainstream Innovation	18%	14%	16%	18%
Revenue by geography				
Americas	16%	11%	11%	14%
Europe	12%	10%	9%	9%
Asia	8%	7%	7%	9%

⁽³⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management

⁽⁴⁾ Including ENOVIA Life Sciences Compliance and Quality Management

⁽⁵⁾ Variation compared to the same period in the prior year

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported	
	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	2,979.5	2,148.9
Trade accounts receivable, net	1,366.3	1,229.1
Contract assets	12.7	27.0
Other current assets	360.5	355.4
Total current assets	4,719.0	3,760.3
Property and equipment, net	817.0	861.1
Goodwill and Intangible assets, net	8,175.0	7,937.2
Other non-current assets	507.7	405.6
Total non-current assets	9,499.7	9,203.9
Total Assets	€ 14,218.7	€ 12,964.2
LIABILITIES AND EQUITY		
Trade accounts payable	192.4	171.7
Contract liabilities	1,304.4	1,169.1
Borrowings, current	903.3	16.0
Other current liabilities	1,070.3	730.1
Total current liabilities	3,470.3	2,086.9
Borrowings, non-current	2,966.4	4,174.3
Other non-current liabilities	1,571.0	1,596.9
Total non-current liabilities	4,537.4	5,771.2
Non-controlling interests	13.7	44.8
Parent shareholders' equity	6,197.3	5,061.3
Total Liabilities and equity	€ 14,218.7	€ 12,964.2

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported					
	Three months ended			Twelve months ended		
	December 31, 2021	December 31, 2020	Change	December 31, 2021	December 31, 2020	Change
Net income attributable to equity holders of the parent	237.1	203.7	33.4	773.7	491.0	282.7
Non-controlling interest	<u>0.2</u>	<u>1.4</u>	<u>(1.2)</u>	<u>0.2</u>	<u>(5.5)</u>	<u>5.7</u>
Net income	237.3	205.1	32.2	773.8	485.5	288.3
Depreciation of property and equipment	49.0	43.6	5.4	179.4	179.1	0.3
Amortization of intangible assets	98.0	95.2	2.8	381.1	407.6	(26.5)
Adjustments for other non-cash items	40.1	52.4	(12.3)	144.6	155.8	(11.2)
Changes in working capital	(60.6)	(158.5)	97.9	134.3	13.3	121.0
Net Cash Provided by (Used in) Operating Activities	€ 363.8	€ 237.9	€ 125.9	€ 1,613.1	€ 1,241.3	€ 371.8
Additions to property, equipment and intangibles	(29.9)	(22.3)	(7.6)	(103.7)	(127.0)	23.3
Payment for acquisition of businesses, net of cash acquired	(14.0)	(69.5)	55.5	(21.4)	(89.5)	68.1
Other	(23.6)	6.0	(29.6)	(35.3)	8.5	(43.8)
Net Cash Provided by (Used in) Investing Activities	€ (67.5)	€ (85.8)	€ 18.3	€ (160.4)	€ (208.0)	€ 47.6
Proceeds from exercise of stock options	33.2	11.7	21.5	156.0	87.7	68.3
Cash dividends paid	-	-	-	(147.1)	(182.5)	35.4
Repurchase and sale of treasury stock	(26.9)	(62.6)	35.7	(283.2)	(166.2)	(117.0)
Acquisition of non-controlling interests	-	(5.2)	5.2	(0.1)	(5.2)	5.1
Proceeds from borrowings	(0.1)	6.3	(6.4)	1.3	18.5	(17.2)
Repayment of borrowings	(0.6)	(400.8)	400.2	(341.2)	(400.9)	59.7
Repayment of lease liabilities	(24.4)	(23.9)	(0.5)	(97.6)	(93.3)	(4.3)
Net Cash Provided by (Used in) Financing Activities	€ (18.8)	€ (474.5)	€ 455.7	€ (711.9)	€ (741.9)	€ 30.0
Effect of exchange rate changes on cash and cash equivalents	31.6	(34.9)	66.5	89.8	(87.4)	177.2
Increase (decrease) in cash and cash equivalents	€ 309.1	€ (357.2)	€ 666.3	€ 830.6	€ 204.0	€ 626.6
Cash and cash equivalents at beginning of period	€ 2,670.4	€ 2,506.1		€ 2,148.9	€ 1,944.9	
Cash and cash equivalents at end of period	€ 2,979.5	€ 2,148.9		€ 2,979.5	€ 2,148.9	

DASSAULT SYSTEMES
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, 2020 filed with the AMF on March 19, 2021. 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 December 31,						Change	
	2021 IFRS	Adjustment ⁽¹⁾	2021 Non-IFRS	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 1,367.8	€ 0.1	€ 1,367.9	€ 1,219.3	€ 0.4	€ 1,219.6	12%	12%
Revenue breakdown by activity								
Software revenue	1,239.5	0.1	1,239.6	1,105.3	0.3	1,105.7	12%	12%
Licenses and other software revenue	347.6	-	347.6	298.9	-	298.9	16%	16%
Subscription and Support revenue	891.8	0.1	891.9	806.4	0.3	806.7	11%	11%
<i>Recurring portion of Software revenue</i>	72%		72%	73%		73%		
Services revenue	128.3	-	128.3	113.9	0.0	114.0	13%	13%
Software Revenue breakdown by product line								
Industrial Innovation ⁽²⁾	682.3	-	682.3	623.8	-	623.8	9%	9%
Life Sciences ⁽³⁾	245.1	-	245.1	218.1	0.2	218.4	12%	12%
Mainstream Innovation	312.1	0.1	312.2	263.4	0.1	263.5	18%	18%
Revenue breakdown by geography								
Americas	506.4	0.1	506.4	438.0	0.3	438.3	16%	16%
Europe	553.5	0.0	553.6	495.8	0.1	495.8	12%	12%
Asia	307.8	-	307.8	285.5	-	285.5	8%	8%
Total Operating Expenses	€ (1,049.5)	€ 184.5	€ (864.9)	€ (936.0)	€ 154.9	€ (781.1)	12%	11%
Share-based compensation expense and related social charges	(84.7)	84.7	-	(55.2)	55.2	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(95.1)	95.1	-	(91.8)	91.8	-		
Lease incentives of acquired companies	(0.7)	0.7	-	(0.7)	0.7	-		
Other operating income and expense, net	(4.0)	4.0	-	(7.1)	7.1	-		
Operating Income	€ 318.3	€ 184.6	€ 502.9	€ 283.3	€ 155.2	€ 438.5	12%	15%
Operating Margin	23.3%		36.8%	23.2%		36.0%		
Financial loss, net	(2.5)	0.2	(2.3)	(4.4)	0.4	(4.1)	(43)%	(44)%
Income tax expense	(78.5)	(41.6)	(120.1)	(73.7)	(34.7)	(108.4)	6%	11%
Non-controlling interest	(0.2)	(0.2)	(0.4)	(1.4)	(1.6)	(3.0)	(88)%	(88)%
Net Income attributable to shareholders	€ 237.1	€ 143.1	€ 380.2	€ 203.7	€ 119.3	€ 323.0	16%	18%
Diluted Earnings Per Share ⁽⁵⁾	€ 0.18	€ 0.11	€ 0.29	€ 0.15	€ 0.09	€ 0.24	15%	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 December 31,							Change		
	2021 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2021 Non-IFRS	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(206.9)	7.5	0.2	(199.2)	(184.0)	3.5	0.2	(180.3)	12%	10%
Research and development expenses	(249.0)	29.3	0.3	(219.4)	(231.7)	19.0	0.3	(212.4)	7%	3%
Marketing and sales expenses	(377.0)	25.3	0.1	(351.6)	(314.9)	15.6	0.1	(299.2)	20%	18%
General and administrative expenses	(117.3)	22.6	0.1	(94.7)	(106.4)	17.1	0.1	(89.2)	10%	6%
Total		€ 84.7	€ 0.7			€ 55.2	€ 0.7			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management. ⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management. ⁽⁴⁾ 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. ⁽⁵⁾ Based on a weighted average 1,333.3 million diluted shares for Q4 2021 and 1,322.1 million diluted shares for Q4 2020. 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

DASSAULT SYSTEMES
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, 2020 filed with the AMF on March 19, 2021. 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	Twelve months ended December 31,						Change	
	2021 IFRS	Adjustment ⁽¹⁾	2021 Non-IFRS	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 4,860.1	€ 1.6	€ 4,861.7	€ 4,452.2	€ 12.6	€ 4,464.8	9%	9%
Revenue breakdown by activity								
Software revenue	4,402.6	1.4	4,404.0	4,012.6	11.4	4,024.0	10%	9%
Licenses and other software revenue	982.9	-	982.9	807.5	-	807.5	22%	22%
Subscription and Support revenue	3,419.7	1.4	3,421.1	3,205.2	11.4	3,216.5	7%	6%
<i>Recurring portion of Software revenue</i>	78%		78%	80%		80%		
Services revenue	457.5	0.2	457.8	439.6	1.2	440.8	4%	4%
Software Revenue breakdown by product line								
Industrial Innovation ⁽²⁾	2,417.9	-	2,417.9	2,287.6	0.8	2,288.5	6%	6%
Life Sciences ⁽³⁾	898.8	1.0	899.8	787.3	9.9	797.3	14%	13%
Mainstream Innovation	1,085.9	0.4	1,086.3	937.6	0.6	938.3	16%	16%
Revenue breakdown by geography								
Americas	1,866.3	1.4	1,867.7	1,688.6	11.8	1,700.4	11%	10%
Europe	1,830.5	0.2	1,830.7	1,675.2	0.4	1,675.6	9%	9%
Asia	1,163.3	0.0	1,163.4	1,088.4	0.4	1,088.8	7%	7%
Total Operating Expenses	€ (3,840.7)	€ 645.2	€ (3,195.5)	€ (3,782.5)	€ 667.5	€ (3,115.0)	2%	3%
Share-based compensation expense and related social charges	(242.1)	242.1	-	(214.1)	214.1	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(369.0)	369.0	-	(394.5)	394.5	-		
Lease incentives of acquired companies	(2.8)	2.8	-	(2.9)	2.9	-		
Other operating income and expense, net	(31.3)	31.3	-	(56.0)	56.0	-		
Operating Income	€ 1,019.4	€ 646.8	€ 1,666.2	€ 669.7	€ 680.1	€ 1,349.8	52%	23%
Operating Margin	21.0%		34.3%	15.0%		30.2%		
Financial loss, net	(15.1)	1.4	(13.7)	(23.4)	1.1	(22.3)	(35)%	(39)%
Income tax expense	(230.4)	(152.9)	(383.3)	(160.8)	(172.0)	(332.8)	43%	15%
Non-controlling interest	(0.2)	(3.8)	(4.0)	5.5	(5.5)	-	(103)%	N/A
Net Income attributable to shareholders	€ 773.7	€ 491.6	€ 1,265.3	€ 491.0	€ 503.7	€ 994.7	58%	27%
Diluted Earnings Per Share ⁽⁵⁾	€ 0.58	€ 0.37	€ 0.95	€ 0.37	€ 0.38	€ 0.75	56%	26%

⁽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	Twelve months ended December 31,								Change	
	2021 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2021 Non-IFRS	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(790.3)	17.6	0.8	(771.9)	(749.7)	13.1	0.8	(735.8)	5%	5%
Research and development expenses	(949.3)	84.6	1.3	(863.4)	(935.4)	75.7	1.3	(858.4)	1%	1%
Marketing and sales expenses	(1,299.9)	70.3	0.4	(1,229.2)	(1,256.3)	62.3	0.4	(1,193.6)	3%	3%
General and administrative expenses	(400.8)	69.6	0.3	(331.0)	(390.7)	63.1	0.4	(327.2)	3%	1%
Total		€ 242.1	€ 2.8			€ 214.1	€ 2.9			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management. ⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management. ⁽⁴⁾ 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. ⁽⁵⁾ Based on a weighted average 1,332.1 million diluted shares for YTD 2021 and 1,320.9 million diluted shares for YTD 2020. 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.