

## Appendix 1

# Consolidated financial statements Annual results Press Release 23/03/2020

### 1. Consolidated income statement

<i>(in € thousands)</i>	December 31, 2019	January 31, 2019
Licenses and maintenance	75,320	109,836
Consulting	25,718	28,793
Others	1,159	784
REVENUE	102,197	139,413
Cost of sales	(33,873)	(37,907)
Research and development costs	(29,832)	(31,718)
Selling and marketing expenses	(38,841)	(43,042)
General and administrative expenses	(21,476)	(19,970)
CURRENT OPERATING RESULT	(21,825)	6,776
Other operating income and expenses	1	233
INCOME FROM OPERATIONS	(21,824)	7,010
FINANCIAL RESULT	(2,563)	(1,277)
Share of profit of associates	26	106
INCOME BEFORE INCOME TAX EXPENSE AND MINORITY INTERESTS	(24,360)	5,839
Prpvision for income tax	3,446	(2,505)
NET INCOME BEFORE MINORITY INTERESTS	(20,914)	3,334
Minority interests	32	0
<b>NET INCOME (GROUP SHARE)</b>	<b>(20,946)</b>	<b>3,334</b>
Earnings per share <i>(in €)</i>	(4.06)	0.59
Diluted earnings per share <i>(in €)</i>	(4.01)	0.59

### Statement of comprehensive income

<i>(In € thousands)</i>	December 31, 2019	January 31, 2019
NET INCOME BEFORE MINORITY INTERESTS	(20,914)	3,334
<b>Other comprehensive income recycled to income</b>		
Change in the fair value of hedging instruments	(12)	15
Translation differences	866	(534)
<b>Other comprehensive income (loss) not recycled to income</b>		
Actuarial gains and losses	(688)	(201)
INCOME AND EXPENSES RECORDED DIRECTLY IN EQUITY	166	(720)
<b>COMPREHENSIVE INCOME</b>	<b>(20,748)</b>	<b>2,614</b>
Attributable to Group equity holders	(20,792)	2,599
Attributable to minority interests	44	15

## 2. Consolidated balance sheet

(in € thousands)	December 31, 2019	January 31, 2019
<b>ASSETS</b>		
NON-CURRENT ASSETS	152,176	129,389
Goodwill	41,448	41,404
Intangible assets	62,139	61,811
Property, plant and equipment	5,633	6,101
Right-of-use assets <sup>1</sup>	20,680	-
Investment in associates	1,099	1,083
Deferred tax assets	17,204	10,920
Other non-current assets	3,264	8,070
Cash-flow hedging instruments	6	0
CURRENT ASSETS	82,183	101,186
Trade receivables	44,733	65,131
Other current receivables	13,720	15,348
Prepaid expenses	3,489	2,620
Cash and cash equivalents	20,241	18,087
<b>TOTAL ASSETS</b>	<b>233,655</b>	<b>230,575</b>
<b>LIABILITIES</b>		
EQUITY	85,983	105,633
<b>EQUITY (Groupe share)</b>	<b>85,912</b>	<b>104,863</b>
Capital	18,055	18,054
Additional paid-in capital	25,833	25,818
Reserves and retained earnings	61,982	57,862
Net income (loss)	(20,946)	3,334
Translation differences	987	(205)
<b>Minority interests</b>	<b>71</b>	<b>771</b>
NON-CURRENT LIABILITIES	65,941	51,370
Long term share of financial debt	30,457	36,255
Non-current finance lease obligation	20,002	-
Provision for employee benefits	11,016	9,979
Deferred tax liabilities	3,761	3,738
Cash-flow hedging instruments	28	13
Other long term debt	677	1,385
CURRENT LIABILITIES	81,731	73,572
Short-term share of financial debt	19,143	8,801
Current finance lease obligation <sup>1</sup>	631	-
Trade payables	8,632	8,848
Accrued compensation, taxes and others short-term liabilities	24,230	30,560
Provisions for contingencies, risks and disputes	675	762
Deferred income	28,421	24,601
<b>TOTAL LIABILITIES</b>	<b>233,655</b>	<b>230,575</b>

<sup>1</sup> ESI Group has applied IFRS 16 for the first time as of February 1st, 2019. In accordance with the method adopted, the comparative financial information has not been restated.

### 3. Consolidated statement of changes in equity

<i>(In € thousands except number of shares)</i>	Number of shares	Capital	Additional paid-in capital	Net income, reserves and retained earnings	Translation differences	Equity attributable to parent company owners	Minority interests	Total Equity
<b>AT JANUARY 31, 2018</b>	<b>6,016,442</b>	<b>18,049</b>	<b>25,782</b>	<b>56,460</b>	<b>349</b>	<b>100,638</b>	<b>844</b>	<b>101,483</b>
Change in fair value of hedging instruments				15		15		15
Translation differences					(554)	(554)	20	(534)
Actuarial gains and losses				(196)		(196)	(5)	(201)
<b>Income and expenses recognized directly in equity</b>				<b>(181)</b>	<b>(554)</b>	<b>(735)</b>	<b>15</b>	<b>(720)</b>
Net income				3,334		3,334	0	3,334
<b>COMPREHENSIVE INCOME</b>				<b>3,153</b>	<b>(554)</b>	<b>2,599</b>	<b>15</b>	<b>2,614</b>
Proceeds from issue of shares	1,450	4	36			40		40
Treasury shares				(131)		(131)		(131)
Share-based payments				751		751		751
Transactions awith non-controlling interests				688		688	(89)	599
Other movements				276		276	1	277
<b>AT JANUARY 31, 2019</b>	<b>6,017,892</b>	<b>18,053</b>	<b>25,818</b>	<b>61,197</b>	<b>(205)</b>	<b>104,861</b>	<b>771</b>	<b>105,633</b>
Change in fair value of hedging instruments				(12)		(12)		(12)
Translation differences					848	848	18	866
Actuarial gains and losses				(682)		(682)	(6)	(688)
<b>Income and expenses recognized directly in equity</b>				<b>(694)</b>	<b>848</b>	<b>154</b>	<b>12</b>	<b>166</b>
Net income				(20,946)		(20,946)	32	(20,912)
<b>COMPREHENSIVE INCOME</b>				<b>(21,640)</b>	<b>848</b>	<b>(20,792)</b>	<b>44</b>	<b>(20,748)</b>
Proceeds from issue of shares	600	2	15			17		17
Treasury shares				22		22		22
Share-based payments				690		690		690
Transactions awith non-controlling interests				927		927	(750)	177
Other movements				187		187	6	193
<b>AT DECEMBER 31, 2019</b>	<b>6,018,492</b>	<b>18,055</b>	<b>25,833</b>	<b>41,383</b>	<b>643</b>	<b>85,912</b>	<b>71</b>	<b>85,983</b>

## 4. Consolidated statement of cash flows

(in € thousands)	December 31, 2019	January 31, 2019
<b>Net income before minority interests</b>	(20,946)	3,334
Share of profits of associates	(32)	(106)
Amortization and provisions <sup>(1)</sup>	8,882	4,353
Net impact of capitalization of research & development costs	(1,300)	(2,679)
Income taxes (current and deferred)	(3,446)	2,505
Income taxes paid	(1,980)	(1,736)
Unrealized financial gains and losses	120	(370)
Share-based payment transactions	690	751
Gains (losses) on sales of assets	114	(6)
<b>OPERATING CASH FLOW</b>	<b>(17,879)</b>	<b>6,046</b>
Trade receivables	19,446	(442)
Trade payables	(293)	(1,066)
Other receivables and other liabilities	(865)	5,582
<b>Change in working capital requirement</b>	<b>18,288</b>	<b>4,074</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>409</b>	<b>10,120</b>
Purchase of intangibles assets	(642)	(796)
Purchase of property, plant and equipment	(1,340)	(3,395)
Proceeds from the sale of assets	-	8
Acquisitions de subsidiaries, net of cash acquired	(795)	(4)
Other investment operations	(7)	(2,425)
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b>(2,784)</b>	<b>(6,613)</b>
Purchase of intangible assets	14,422	46,165
Repayment of borrowings <sup>(1)</sup>	(10,148)	(46,669)
Proceeds from issue of shares	17	40
Purchase and proceeds from disposal of treasury shares	22	(131)
Dividends paid	-	(89)
<b>NET CASH USED FROM FINANCING ACTIVITIES</b>	<b>4,312</b>	<b>(684)</b>
Effect of exchange rate changes on cash and cash equivalents	216	(456)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,153</b>	<b>2,367</b>
Opening cash position	18,087	15,720
Closing cash position	20,241	18,087
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>2,154</b>	<b>2,367</b>

<sup>(1)</sup> The impact of IFRS 16 increases in the amortization and provision and thus an improvement in self-financing capacity of €+5.2 million, against the repayment of finance lease obligation in the financing part of the Cash Flow Statement for €-5.2 million.