

**2020**

**Annual  
Financial  
Report**



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## 1 PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT AND THE AUDIT OF THE FINANCIAL STATEMENTS

### 1.1 Person responsible for the annual financial report

Stanislas de Bentzmann - Chairman of the Management Board.

### 1.2 Statement by the person responsible for the annual financial report

I confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and performance of the Company and of all consolidated Group companies, and that the Management Report, which appears on page 5 of this document, is a true reflection of the changes in the business, performance and financial position of the Company and all of the consolidated Group companies, as well as a description of the main risks and uncertainties facing these companies.

30 April 2021

Stanislas de Bentzmann

### 1.3 Person responsible for the audit of the financial statements

Statutory Auditors	Date of 1 <sup>st</sup> mandate	Date of expiry of current mandate
KPMG SA, Tour EQHO 2 avenue Gambetta, CS 60055, 92066 Paris La Défense represented by Jean-Pierre Valensi	1999	GM ruling on the 2022 financial statements
Grant Thornton 29 rue du Pont, 92200 Neuilly-sur-Seine represented by Vincent Frambourt	2014	GM ruling on the 2025 financial statements
Alternate Auditors	Date of 1 <sup>st</sup> mandate	Date of expiry of current mandate
Salustro Reydel SA, Tour EQHO 2 avenue Gambetta, CS 60055, 92066 Paris La Défense	2011	GM ruling on the 2022 financial statements
IGEC 22 rue Garnier, 92200 Neuilly-sur-Seine	2014	GM ruling on the 2025 financial statements

### 1.4 Statutory Auditors' fees

The table below presents the detailed amounts of Statutory Auditors' fees paid for the 2019 and 2020 financial years:

In thousands of euros	2020							2019						
	KPMG	%	Grant Thornton	%	NSK	%	Total	KPMG	%	Grant Thornton	%	NSK	%	Total
<i>Certification and half-yearly limited review of separate and consolidated financial statements</i>														
Issuer	154	32%	150	37%	0	0%	304	157	29%	146	37%	0	0%	303
Fully consolidated subsidiaries	214	44%	238	59%	64	100%	516	193	35%	218	55%	62	100%	473
<i>Services other than certification of financial statements</i>														
Issuer	87	18%	13	3%	0	0%	100	200	36%	11	3%	0	0%	211
Fully consolidated subsidiaries	31	6%	2	0%	0	0%	33	0	0%	24	6%	0	0%	24
<b>Total</b>	<b>486</b>	<b>100%</b>	<b>403</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>952</b>	<b>550</b>	<b>100%</b>	<b>399</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>1,011</b>

## 1.5 Recent events

### Conclusion of a senior credit agreement and a bank account pledge agreement

In the context of the tender offer initiated by Castillon SAS for the Company's shares, an offer support agreement was entered into between the Company and Castillon on 9 July 2020. The Support Agreement provides, in particular, for an undertaking by the Company to subscribe, at the request of Castillon SAS, to a credit facility as well as an undertaking to indemnify the Company by Castillon SAS, the terms of which will be negotiated in good faith, in the event that the terms of the senior credit agreement, assessed globally, are less favourable for the Company than its existing financing lines. A detailed description of the content of the Support Agreement can also be found in the prospectus filed by Castillon SAS with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on 13 October 2020, bearing visa no. 20-504, and available on the Group's website.

On 12 March 2021, Devoteam SA (the Group's parent company) entered into a senior credit agreement and a bank account pledge agreement. The senior loan agreement, of the Revolving Credit Facility (RCF) type, is for a maximum amount of €65 million, with a maturity of 6.5 years, a maximum interest margin of 3% per year, a commitment fee of 30% of the margin and an arrangement fee of 2% of the total amount. This agreement enables the Company to cover its general financial needs and its working capital requirement, while securing financing for a longer term and at more flexible conditions than its existing financing lines. As a result of this new agreement, the Company has renounced its existing financing lines as described in Note 2.8 to the separate financial statements.

On the same day, the Company also entered into a bank account pledge agreement covering bank accounts opened in the name of the Company in France, the purpose of which is to guarantee the Company's payment obligations under the senior credit agreement.

These two agreements were authorised by the Supervisory Board on 8 March 2021.

## 2 MANAGEMENT BOARD'S REPORT ON THE GROUP'S BUSINESS AND MANAGEMENT

Ladies and Gentlemen,

We have called this General Meeting to report to you on the results of our work carried out during the financial year ended 31 December 2020 and to submit for your approval the Group's separate and consolidated financial statements for the said financial year.

During this Meeting, we will read to you the reports by KPMG and Grant Thornton, our Statutory Auditors. The Statutory Auditors' reports, the Management Report, the annual separate and consolidated financial statements, in addition to other related documents, have been made available to you at the Company's head office, in accordance with the conditions and deadlines set out by law, so that you could familiarise yourselves with them.

The separate financial statements hereby presented have been prepared in compliance with the general regulations applicable in France on the preparation and presentation of annual financial statements. The consolidated financial statements have been prepared in accordance with the IFRS guidelines, as adopted by the European Union prior to 31 December 2020. All of these financial statements respect the principle of true and fair view.

### 2.1 Activity of Devoteam SA and its subsidiaries during the financial year

#### 2.1.1 Highlights of the year

The year 2020 was marked and impacted from mid-March by the COVID-19 health crisis. This unprecedented crisis has upset the fundamentals of our economies and created significant uncertainties in the economic environment. Faced with this crisis, the Group reacted quickly to adapt to the different periods of lockdown and to preserve the health of its employees. The business was impacted mainly in France, Germany and the Benelux countries. In these areas, the Group has used partial activity or its equivalent to cushion the decline in activity. The Group's other geographical areas were less affected due to customer activities in less affected segments, such as telecoms, healthcare and the public sector. During this period, the Group continued to invest with its strategic partners in innovation and training in order to increase the skills of its teams in the technologies that contribute most to the acceleration of the digitalisation of the economy.

In addition to the operational resilience shown by the Group during this major crisis, the Group was also able to rely on a very solid balance sheet with a net cash position that was significantly strengthened, in particular through a strong improvement in the number of days of sales outstanding and by the decision of the Management Board, supported by the Supervisory Board, not to distribute dividends for the year 2019. This strategy enabled the Group, despite the crisis, to continue to strengthen its activities through three targeted acquisitions made in the second half of the year:

- On 10 July, the Group acquired 70% of Inviso, a Danish business intelligence and data analytics specialist, Tableau's "Gold Partner" and Alteryx's "Premier Partner". The company has approximately 60 employees and generated revenue of approximately €7 million in its last financial year (estimate after application of IFRS 15).
- On 4 August, the Group acquired 70% of Fourcast, a Belgian specialist in the integration of Google Cloud solutions present in Belgium, the Netherlands and the United Kingdom. The company has approximately 25 employees and generated revenue of approximately €3.5 million in its last financial year (estimated after application of IFRS 15).
- On 23 December, the Group acquired 100% of Ysance, a French data specialist and partner of the leading publishers of business intelligence solutions. The company has approximately 70 employees and generated revenue of approximately €5.5 million in its last financial year.

The year 2020 was also marked by the transaction on the Company's share capital, announced in July 2020, in which the founders, members of the Management Board and reference shareholders of Devoteam, Messrs Godefroy and Stanislas de Bentzmann, with the support of KKR as financial partner, jointly launched a takeover bid for Devoteam shares in order to consolidate their control.

The objective is to accelerate Devoteam's complex transformation and to deliver the strategic vision "Tech for people" within a highly demanding and competitive digital landscape. This operation allows Castillon (the holding company of the operation) to hold just over 80% of the Group's capital.

On 10 September, following the annual review of the Euronext Paris indices, the Expert Indices Committee decided to include Devoteam in the samples making up the SBF 120 and CAC Mid 60 indices. The effective date of this decision was set at Friday 18 September 2020 after the close of the market.

The Company's consolidated financial statements for the financial year ended 31 December 2020 include the Company and its subsidiaries ("the Group"), as well as the Group's share of the results of associates and jointly controlled companies.

The financial statements were approved by the Management Board on 8 March 2021, and will be submitted to the General Meeting for approval on 4 June 2021.

### 2.1.2 Activity and performance of Devoteam SA

Revenue totalled €292.7 million in 2020, slightly down by 1.5% compared to 2019, in line with the growth rates recorded at Group level.

Operating income stood at €3.9 million, compared with €10.8 million a year earlier due to the decline in activity and non-recurring costs.

Net income for 2020 amounted to €10.7 million, compared to €25.7 million in 2019. This comprises:

- a net financial income of €11.4 million (vs €13.1 million in 2019) mainly affected by an increase in provisions on equity securities (-€16.1 million), an increase in dividends received (+€16.5 million) and an increase in provisions on current accounts and subsidiary risks (+€2.5 million);
- an exceptional expense of €2.8 million (against income of €4.9 million in 2019), mainly explained by a reduction in capital gain on disposals of equity securities (-€6.4 million) and by an increase in expenses related to litigation (-€1.8 million).

Further details are provided in Notes 4.4 and 4.5 to the separate financial statements.

With regard to the financial position:

- The Company's equity stood at €211.2 million at 31 December 2020, against €200.2 million at 31 December 2019. The change is mainly due to the recognition of the result for the financial year (+€10.7 million);
- Total borrowings (excluding total current account liabilities with subsidiaries) amounted to €30.6 million and mainly correspond to the bond issue and related accrued interest in the amount of €30.4 million;
- Available cash (including marketable securities and excluding treasury shares) amounted to €65.7 million compared to €24.4 million a year earlier, up by €41.3 million, mainly due to the good performance of the receivables collection activities, resulting in a significant reduction in the days of sales outstanding (DSO).

In accordance with the provisions of Articles 441-6-1 and D. 441-4 of the French Commercial Code, the breakdown by maturity of trade receivables and payables at 31 December 2020 was as follows:

	Article D. 441-I-1 of the French Commercial Code: Invoices <u>received</u> and not settled at the closing date of the financial year in which they fell due						Article D. 441-I-2 of the French Commercial Code: Invoices <u>issued</u> and not settled at the closing date of the financial year in which they fell due					
	0 days (due date)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (due date)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
<b>(A) Number of days overdue</b>												
Number of invoices outstanding	2,769					108	3,852					1,367
Total amount of invoices outstanding in thousands of euros (incl. taxes)	27,571	121	46	1	161	328	57,946	3,080	2,127	1,061	5,099	11,366
Percentage of the total amount of purchases for the year (incl. taxes)	15.11%	0.07%	0.03%	0.00%	0.09%	0.18%						
Percentage of revenue for the year (incl. taxes)							16.63%	0.88%	0.61%	0.30%	1.46%	3.26%

The breakdown by due date of trade receivables and trade payables at 31 December 2019 was presented as follows:

	Article D. 441-I-1 of the French Commercial Code: Invoices <u>received</u> and not settled at the closing date of the financial year in which they fell due						Article D. 441-I-2 of the French Commercial Code: Invoices <u>issued</u> and not settled at the closing date of the financial year in which they fell due					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
<b>(A) Number of days overdue</b>												
Number of invoices outstanding	2,861					241	3,713					1,667
Total amount of invoices outstanding in thousands of euros (incl. taxes)	25,971	223	36	74	271	605	25,971	223	36	74	271	605
Percentage of the total amount of purchases for the year (incl. taxes)	14.6%	0.1%	0.0%	0.0%	0.2%	0.3%	14.6%					
Percentage of revenue for the year (incl. taxes)							14.37%	0.63%	0.81%	0.15%	1.26%	

The target payment period for trade payables and receivables is 60 days.

### 2.1.3 Activity and consolidated results

#### Income statement analysis

**Revenue** reached €760.4 million for the full year 2020, decreasing -0.2% compared to 2019 and -0.6% at constant scope and exchange rates. Changes in scope had a positive impact of 1 point of growth while variations in exchange rates had a negative impact of -0.6 point of growth. The working day impact over the year was favourable representing around 0.6 point of growth.

The **operating margin**, defined as the current operating profit excluding the impact of share-based payments and amortisation of intangible assets related to acquisitions, stood at €73.7 million in 2020, representing 9.7% of revenue. Excluding government subsidies, the operating margin would have been 7.4% of revenue.

Broken down by half-year, the change in revenue and operating margin is as follows:

In millions of euros and %	2020			2019		
	H1	H2	FY	H1	H2	FY
<b>Revenue</b>	<b>387.2</b>	<b>373.1</b>	<b>760.4</b>	<b>373.3</b>	<b>388.6</b>	<b>761.9</b>
Annual variation (%)	3.7%	(4.0%)	(0.2%)	21.8%	12.3%	16.8%
<b>Operating margin</b>	<b>35.8</b>	<b>37.9</b>	<b>73.7</b>	<b>33.4</b>	<b>45.6</b>	<b>79.0</b>
(as % of revenue)	9.2%	10.1%	9.7%	8.9%	11.7%	10.4%

The **operating result** amounted to €71.9 million. It includes restructuring costs for €1.7 million, mainly in Germany, France and Spain.

The **financial result** was -€3.8 million. It included a €1.4 million foreign exchange loss, a €1 million interest expense on the bond issue, a €0.6 million cost related to the application of IFRS 16, and €0.5 million of short-term financing costs (confirmed lines of credit and factoring).

The **income tax** expense amounted to €24.1 million. It represents 34.1% of pre-tax income, compared to 32.6% in 2019. Excluding non-taxable profits and other exceptional elements, the tax rate would have been 31% in 2020.

The **Group share of net income** decreased by -1.8% from €41.6 million in 2019 to €40.8 million in 2020.

## Balance sheet analysis

The main items of the consolidated balance sheet changed as follows during 2020:

In millions of euros	31 December 2020	31 December 2019	Change	Main reasons for the change
Non-current assets	221.7	215.3	6.4	The change is mainly explained by the recognition of new goodwill for €21.2 million related to the external growth transactions (Fourcast, Inviso and Ysance). This change was offset by the impairment losses of €9.0 million recorded on the Avalon CGU in Sweden and Alegri in Germany, by the decrease of €2.2 million in the goodwill of the Spain CGU, and the €1.8 million loss on the disposal of investments in associates.
Operating receivables	304.6	287.6	17.0	The change in operating receivables is mainly due to the increase in prepaid expenses for €16.9 million and tax and social security receivables for €2.6 million, partially offset by the decrease in trade receivables for €5.2 million. The days of sales outstanding (DSO) has improved significantly and stood at 46 days at the end of December 2020 compared to 58 days a year earlier.
Cash and cash equivalents*	153.1	81.6	71.5	See below
Equity attributable to the Group	214.7	196.3	18.4	The change is explained by the recognition of the income for the period for €40.8 million, the effects of changes in the percentage of interest or transactions between shareholders for -€20.2 million, the adjustment of the goodwill and earn-out of the Spain CGU for -€1.3 million, and a foreign exchange effect for -€0.9 million.
Non-controlling interests	16.5	15.1	1.4	Non-controlling interests (see Note 5.13 to the consolidated financial statements).
Non-current liabilities	72.0	89.9	(17.9)	The decrease in non-current liabilities is mainly due to the reclassification of the bond issue to the "Current debt" item for -€30.0 million and the recognition of a put option liability on Fourcast for €10.3 million.
Current liabilities	376.2	283.2	93.0	The increase in non-current liabilities is mainly due to the increase in trade payables for €19.2 million, contract liabilities for €19.8 million and tax and social security liabilities for €9.2 million in connection with the Group's external growth, and the reclassification of the bond issue from the "Non-current debt" item for €30.0 million.

\* **Cash and cash equivalents** (net of bank overdrafts of €1.5 million) rose sharply by €71.5 million over the financial year and stood at €153.1 million. This change is due to:

- Positive **cash flow from operating activities** at €109.7 million resulting from a sharp decrease in working capital of €39.4 million (vs -€2.5 million in 2019) thanks in particular to the reduction of the DSO at the end of the period from 58 to 46 days, and a slight decrease in operating cash flows to €90.5 million as of 31 December 2019 (vs €93.5 million in 2019).
- Negative **cash flow from investing activities** of €7.9 million over the year (vs -€23.7 million in 2019), mainly due to:
  - disbursements related to acquisitions of subsidiaries (net of cash acquired) amounting to €20.8 million;
  - the receipt of the sale price of the Group's investments in associates for an amount of €11.3 million;
  - disbursements related to the Group's operational investments amounting to €4.0 million;
  - collection of dividends from associates for an amount of €3.4 million;
  - net inflows from loans for €1.8 million.
- Negative **cash flow from financing activities** of €28.8 million over the year (vs -€42.0 million in 2019), including:
  - a net cash outflow of €6.4 million related to transactions on non-controlling interests;
  - the repayment of lease liabilities (IFRS 16) for €14.6 million;
  - the payment of dividends to non-controlling shareholders for €3.8 million.

The Group's financial situation remains sound since the **cash position net of borrowings** (excluding lease liabilities related to the application of IFRS 16) stands at €119.8 million and breaks down as follows:



In millions of euros	31 December 2020	31 December 2019
Short-term investments	10.1	0.1
Cash at bank	144.5	81.5
Bank overdrafts (liability)	(1.5)	(0.1)
<b>Cash and cash equivalents</b>	<b>153.1</b>	<b>81.6</b>
<b>Cash management assets</b>	-	-
Bonds	-	(29.9)
Obligations under finance leases	-	-
Draw-downs on bank and similar facilities and other borrowings	(1.7)	(1.9)
<b>Long-term borrowings</b>	<b>(1.7)</b>	<b>(31.8)</b>
Bonds	(30.4)	(0.4)
Obligations under finance leases	-	(0.0)
Draw-downs on bank and similar facilities and other borrowings	(1.2)	(1.3)
<b>Short-term borrowings</b>	<b>(31.6)</b>	<b>(1.8)</b>
<b>Total borrowings</b>	<b>(33.3)</b>	<b>(33.6)</b>
Derivative instruments	-	-
<b>Net cash*</b>	<b>119.8</b>	<b>48.0</b>
<b>Total Equity</b>	<b>231.2</b>	<b>211.4</b>
<b>Debt to equity ratio</b>	<b>(51.8%)</b>	<b>(22.7%)</b>

\* For 2020, net cash includes the positive impact (net of guarantee deposits) of agreements to transfer non-recourse trade receivables amounting to €11.4 million against €11.5 million in 2019.

## Business model

### Business Model 2020.



#### 2.1.4 Progress made and outlook

##### Financial outlook for 2021

The Group has decided not to disclose annual targets for 2021 and is changing the pace of its financial communication so that it will only communicate half-yearly and no longer quarterly.

### 2.1.5 Events subsequent to year-end

On 24 February 2021, the Group acquired 70% of the Spanish group Nubalia, a leader in the integration of Google Cloud solutions in Iberia. The company has approximately 50 employees and generated revenue of approximately €4.1 million in its last financial year (estimated after application of IFRS 15).

### 2.1.6 Proposed appropriation of income

It is proposed that the General Meeting allocate the total profit for the financial year ended on 31 December 2020, €10,718,027, to the item "Retained earnings", which will thus be increased from €144,970,227 to €155,688,254.

In respect of the past three financial years, the Company has paid the following dividends:

Year	Dividend per share
2017	€0.90
2018	€1.00
2019	€0

### 2.1.7 Related-party agreements

Pursuant to Article L. 225-86 of the French Commercial Code, we hereby ask you to approve the related-party agreements, already approved by your Supervisory Board during the year just ended and referred to by the Statutory Auditors in their special report.

### 2.1.8 Non-deductible expenses

In accordance with the provisions of Article 223 quinquies and Article 39-5 quater of the French General Tax Code, we would like to point out that the financial statements for the financial year just ended include a total amount of non-deductible expenses, within the meaning of Article 39-4 of said code, of €381,573 (vs €359,478 for the 2019 financial year). This amount corresponds to the share of non-deductible rental payments on passenger vehicles hired by the Group in the course of its operational activity. As a reminder, French tax law provides for an annual depreciation limit, in relation to the price of the vehicle according to the CO2 emissions, ranging from €9,900 to €30,000.

### 2.1.9 Table of Company results over the past five years

SHARE CAPITAL AT YEAR-END	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
Share capital	1,262,340	1,263,015	1,263,015	1,263,015	1,263,015
Number of shares	8,327,907	8,332,407	8,332,407	8,332,407	8,332,407
TRANSACTIONS AND PROFIT FOR THE YEAR	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
Revenue before tax	189,471,479	217,908,500	265,602,014	297,196,163	292,735,824
Profit (loss) before taxes, profit-sharing, depreciation, amortisation and provisions	9,456,174	14,095,051	33,432,650	30,882,266	37,341,707
Amortisation and provision	(153,977)	(4,112,216)	4,992,836	2,095,549	24,777,025
Employee profit-sharing due in respect of the year	-	-	-	-	-
Corporate income taxes	(1,665,619)	830,413	651,627	3,104,828	1,846,655
Profit (loss) after taxes, depreciation, amortisation and provisions	11,275,770	17,376,854	27,788,187	25,681,889	10,718,027
Earnings distributed	4,726,589	7,189,333	8,058,148	8,193,775	-
EARNINGS PER SHARE	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
Profit (loss) after taxes but before depreciation, amortisation and provisions	1.34	1.59	3.93	3.33	4.26
Profit (loss) after taxes, depreciation, amortisation and provisions	1.35	2.09	3.33	3.08	1.29
Dividend allocated to each share	0.60	0.90	1.00	-	-
PERSONNEL	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
Average workforce	1,358	1,453	1,663	1,801	1,761
Total payroll	65,941,947	70,937,736	84,186,838	91,703,867	90,767,043
Amount paid in employee benefits	29,482,461	31,677,313	38,154,578	40,379,688	38,942,473

#### **2.1.10 Research and development activity**

The Group considers technological innovation to be of great importance, as it is a means of enhancing the offers to clients and of improving the skills of the Group's employees.

The internal research and development activities, notably via Devoteam Research and Innovation (DRI) in France, are described in Section 5.4.4 of the corporate social responsibility report.

Moreover, the Group works as an outsourced R&D provider for its clients on innovation projects, particularly in France and Belgium. Some of these projects are eligible for the French research tax credit.

#### **2.1.11 Other information**

The presentation rules and valuation methods used in the preparation of the consolidated financial statements are compliant with current regulations, and in particular IFRS, as described in Notes 2 and 3 to the consolidated financial statements. New standards and interpretations have come into force, such as those described in Note 2.1 to the financial statements.

The inventory value of the equity securities and goodwill in the Devoteam SA separate financial statements is determined using the discounted future cash flow method. With regard to equity securities, this value is then adjusted for the cash and/or net debt of the companies in question.

## 2.2 Subsidiaries and investments

### 2.2.1 Consolidated companies

The companies included in the scope of consolidation at 31 December 2020 are listed in Note 4.1 to the consolidated financial statements.

### 2.2.2 Contribution of operating segments to the Group's results

The operating segments are presented in detail in Note 3.19.

#### Results by geographical area

<i>In millions of euros</i>	2020	2019
<b>France</b>		
Contribution to revenue	341.5	352.0
Operating margin	41.8	46.2
As % of Group contribution	12.2%	13.1%
<b>Northern Europe &amp; Benelux</b>		
Contribution to revenue	216.4	204.7
Operating margin	25.1	16.9
As % of Group contribution	11.6%	8.3%
<b>Central Europe</b>		
Contribution to revenue	69.9	81.6
Operating margin	4.7	4.5
As % of Group contribution	6.8%	5.5%
<b>Iberia &amp; Latam</b>		
Contribution to revenue	76.3	69.0
Operating margin	7.1	6.5
As % of Group contribution	9.3%	9.5%
<b>Rest of the world</b>		
Contribution to revenue	61.7	56.8
Operating margin	6.2	7.1
As % of Group contribution	10.0%	12.5%
<b>Corporate &amp; other</b>		
Contribution to revenue	(5.4)	(4.0)
Operating margin	(11.1)	(2.5)
<b>Divestments</b>		
Contribution to revenue	0.0	1.7
Operating margin	(0.0)	0.2
As % of Group contribution	(151.1%)	11.8%
<b>Total</b>		
Contribution to revenue	760.4	761.9
Operating margin	73.7	79.0
As % of Group contribution	9.7%	10.4%

Change in revenue by geographical area

<i>In millions of euros</i>	<b>2020</b>	<b>2019</b>
<b>France</b>	<b>341.5</b>	<b>352.1</b>
Variation	(3.0%)	
L-f-l variation	(3.0%)	
<b>Northern Europe &amp; Benelux</b>	<b>216.4</b>	<b>204.7</b>
Variation	5.8%	
L-f-l variation	3.3%	
<b>Central Europe</b>	<b>69.9</b>	<b>81.6</b>
Variation	(14.3%)	
L-f-l variation	(14.2%)	
<b>Iberia &amp; Latam</b>	<b>76.3</b>	<b>69.0</b>
Variation	10.5%	
L-f-l variation	9.1%	
<b>Rest of the world</b>	<b>61.7</b>	<b>56.8</b>
Variation	8.7%	
L-f-l variation	10.3%	
<b>Corporate &amp; other</b>	<b>(5.4)</b>	<b>(4.1)</b>
<b>Divestments</b>	<b>0.0</b>	<b>1.8</b>
<b>Total</b>	<b>760.4</b>	<b>761.9</b>
Variation	(0.2%)	
L-f-l variation	(0.6%)	
Currency impact	(0.6%)	
Perimeter impact	1.0%	

Of which impact of significant acquisitions:

<i>In millions of euros</i>	<b>2020</b>
<b>Northern Europe &amp; Benelux</b>	<b>7.7</b>
Avalon Solutions, consolidated as of 1 April 2019	1.5
Inviso, consolidated as of 1 July 2020	3.8
Fourcast, consolidated as of 1 August 2020	2.4

## 2.3 Information on the share capital

### 2.3.1 Changes in share capital and number of shares during 2020

Number of shares	2020	2019
Shares outstanding as of 1 January	8,332,407	8,332,407
Exercise of options, BCE and BSA	-	-
Shares outstanding as of 31 December	8,332,407	8,332,407
Par value	€0.15	€0.15

### 2.3.2 Changes in shareholding

The main identified shareholders in the Company at year-end are as follows:

	31 December 2018			31 December 2019			31 December 2020		
	Shares	% of share capital	% of voting rights	Shares	% of share capital	% of voting rights	Shares	% of share capital	% of voting rights
Castillon*	-	-	-	-	-	-	6,677,220	80.14%	79.76%
S. de Bentzmann	1,066,230	12.80%	18.33%	1,025,640	12.31%	14.25%	-	-	-
G. de Bentzmann	726,377	8.72%	13.96%	726,407	8.72%	10.90%	-	-	-
Lazard Frères Gestion	579,312	6.95%	5.67%	-	-	-	70,500	0.85%	0.84%
Admiral Gestion	551,043	6.61%	5.40%	203,703	2.44%	2.14%	358,448	4.30%	4.28%
Allianz	532,673	6.39%	5.22%	552,189	6.63%	5.82%	-	-	-
Tabag	418,402	5.02%	8.20%	416,749	5.00%	8.76%	-	-	-
Other holders	229,099	2.75%	4.64%	164,375	1.97%	4.19%	222,807	2.67%	4.79%
Treasury shares	274,259	3.29%	-	138,632	1.66%	-	138,632	1.66%	-
Free float	3,955,012	47.47%	38.58%	5,104,712	61.26%	53.94%	864,800	10.38%	10.32%
<b>Total</b>	<b>8,332,407</b>	<b>100%</b>	<b>100%</b>	<b>8,332,407</b>	<b>100%</b>	<b>100%</b>	<b>8,332,407</b>	<b>100%</b>	<b>100%</b>

\* SAS of which Messrs Stanislas and Godefroy de Bentzmann as well as Tabag are shareholders.

During the 2020 financial year, the following threshold crossings were declared:

**By letter received on 15 July 2020**, Messrs Stanislas and Godefroy de Bentzmann declared that they had, on 29 July 2019, crossed below the thresholds of 30% and 25% of the voting rights of DEVOTEAM and jointly held, on that date, 1,752,153 DEVOTEAM shares representing 2,387,572 voting rights, or 21.03% of the share capital and 22.41% of the voting rights.

This crossing of thresholds is the result of a loss of double voting rights following the DEVOTEAM shares that were the subject of contributions in kind by Messrs Stanislas Bentzmann and Godefroy Bentzmann for the benefit of their portfolio holding companies.

**By letter received on 15 July 2020**, Messrs Stanislas and Godefroy de Bentzmann, the company Castillon SAS and the company Step Holdco 3 SARL, incorporated under Luxembourg law, declared that they had, on 9 July 2020, crossed above the thresholds of 5%, 10%, 15% and 20% of the share capital and voting rights of the company DEVOTEAM and jointly held 1,752,153 DEVOTEAM shares representing 2,387,572 voting rights, i.e. 21.03% of the company's share capital and 24.79% of its voting rights.

This crossing of thresholds results from the concerted action of Messrs Godefroy and Stanislas de Bentzmann (including via the asset management companies they control and the members of their families), Castillon SAS and Step Holdco 3 SARL resulting from the conclusion of an investment agreement, concluded in English, entitled "Investment Agreement" relating to the proposed public tender offer for the shares of DEVOTEAM SA announced on 9 July 2020.

**By letter received on 16 November 2020**, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) declared that it had, on 11 November 2020, indirectly crossed above the threshold of 5% of the share capital of DEVOTEAM and indirectly held, through its subsidiaries Morgan Stanley & Co. International plc and Morgan Stanley France SA, 425,540 DEVOTEAM shares representing as many voting rights, i.e. 5.11% of the company's share capital and 4.41% of its voting rights.

**By letter received on 19 November 2020**, Morgan Stanley & Co. International plc1 (25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom) declared that it had, on 13 November 2020, individually crossed above, following an off-market acquisition of DEVOTEAM shares, the threshold of 5% of the share capital of the company DEVOTEAM and individually held 425,502 DEVOTEAM shares representing as many voting rights, i.e. 5.11% of the company's share capital and 4.41% of its voting rights.

On this occasion, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) has not, as of 13 November 2020, crossed any threshold and indirectly held, through the intermediary of its subsidiaries Morgan Stanley & Co. International plc and Morgan Stanley France SA, 432,678 DEVOTEAM shares representing the same number of voting rights, i.e. 5.19% of the company's share capital and 4.48% of its voting rights.

**By letter received on 24 November 2020**, the company Morgan Stanley & Co. International plc<sup>1</sup> (25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom) declared that it had, on 18 November 2020, individually crossed below, following an off-market sale of DEVOTEAM shares, the threshold of 5% of the share capital of the company DEVOTEAM and individually held 411,766 DEVOTEAM shares representing as many voting rights, i.e. 4.94% of the company's share capital and 4.27% of its voting rights.

On this occasion, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) has not, as of 18 November 2020, crossed any threshold and indirectly held, through the intermediary of its subsidiaries Morgan Stanley & Co. International plc, Morgan Stanley France SA and Morgan Stanley Europe SE, 416,678 DEVOTEAM shares representing the same number of voting rights, i.e. 5.01% of the company's share capital and 4.32% of its voting rights.

**By letter received on 25 November 2020**, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) declared that it had, on 19 November 2020, indirectly crossed below, through its subsidiaries, the threshold of 5% of the company's share capital.

This threshold crossing was the result of an off-market sale of DEVOTEAM shares, as a result of which the trading exemption applies for the declarant (see Article 223-13-I-2 of the General Regulation), which no longer holds any shares of DEVOTEAM within the meaning of the aforementioned article.

**By letter received on 26 November 2020**, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) declared that it had, on 20 November 2020, crossed above the threshold of 5% of the share capital of the company DEVOTEAM and indirectly held, through its subsidiaries Morgan Stanley & Co. International plc, Morgan Stanley France SA and Morgan Stanley Europe SE, 417,158 DEVOTEAM shares representing the same number of voting rights, i.e. 5.01% of the company's share capital and 4.32% of its voting rights.

**By letter received on 30 November 2020**, the company Morgan Stanley France SA<sup>1</sup> (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) declared that it had, on 24 November 2020, crossed above the threshold of 5% of the share capital of the company DEVOTEAM and individually held 428,713 DEVOTEAM shares representing as many voting rights, i.e. 5.15% of the company's share capital and 4.44% of its voting rights.

This threshold crossing is the result of an off-market acquisition of DEVOTEAM shares.

On this occasion, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) has not, as of 24 November 2020, crossed any threshold and indirectly held, through the intermediary of its subsidiaries Morgan Stanley & Co. International plc and Morgan Stanley France SA, 430,376 DEVOTEAM shares representing as many voting rights, i.e. 5.17% of the company's share capital and 4.46% of its voting rights.

**By letter received on 7 December 2020**, the French Financial Markets Authority (Autorité des marchés financiers - AMF) received the following declarations of threshold crossings, made on 1 December 2020:

- Morgan Stanley France SA (61 rue de Monceau, 75008 Paris) declared that, following an off-market sale of DEVOTEAM shares, it had crossed below the threshold of 5% of the share capital of DEVOTEAM and individually held 21,729 DEVOTEAM shares representing as many voting rights, i.e. 0.26% of the company's share capital and 0.23% of its voting rights; and

- Morgan Stanley & Co. International plc (Legal & Compliance Department, 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom) declared that, following an off-market purchase of DEVOTEAM shares, it had individually crossed above the threshold of 5% of the share capital of DEVOTEAM and individually held 447,820 DEVOTEAM shares representing the same number of voting rights, i.e. 5.37% of the company's share capital and 4.64% of its voting rights.

On this occasion, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) has not, as of 1 December 2020, crossed any threshold and held, indirectly through its subsidiaries Morgan Stanley & Co. International plc and Morgan Stanley France SA, 469,549 DEVOTEAM shares representing as many voting rights, i.e. 5.64% of the company's share capital and 4.87% of its voting rights.

**By letter received on 14 December 2020**, the company Allianz SE (Koeniginstrasse 28, Munich, Germany) declared that it had, on 10 December 2020, indirectly crossed, through the intermediary of Allianz IARD and Allianz Life Luxembourg, below the thresholds of 5% of the share capital and voting rights of the company DEVOTEAM and no longer indirectly held any shares in the company.

This threshold crossing is the result of the tender offer for DEVOTEAM shares initiated by Castillon.

**By letter received on 16 December 2020**, Morgan Stanley Corp. (c/o The Corporation Trust Company (DE), Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801, United States) declared having, on 10 December 2020, crossed below, indirectly through its subsidiaries, the threshold of 5% of the company's share capital.

This threshold crossing is the result of the tender offer for DEVOTEAM shares initiated by the company Castillon, to the result of which the trading exemption applies for the declarant (see Article 223-13-I-2 of the General Regulation), which no longer holds any shares in DEVOTEAM within the meaning of the aforementioned article.

On this occasion, Morgan Stanley International plc crossed below the same threshold.

**By letter received on 15 December 2020**, the concert composed of the company Castillon SAS, the company incorporated under Luxembourg law, Step Holdco 3 SARL, and the Bentzmann family, declared that it had, on 10 December 2020, crossed above the thresholds of 25%, 30%, 1/3, 50% and 2/3 of the share capital and voting rights of DEVOTEAM and jointly held 6,032,356 DEVOTEAM shares representing 6,032,356 voting rights, i.e. 72.40% of the company's share capital and 70.89% of its voting rights.

This crossing of thresholds is the result of (i) the receipt of the DEVOTEAM shares tendered to the public offer initiated by the concert, and (ii) the contribution in kind to Castillon SAS of the DEVOTEAM shares held by the de Bentzmann family, including all the DEVOTEAM shares held by the companies Stan & Co SAS, Agnès Patrimoine SAS and Saint Michel SAS, which it controls, and the DEVOTEAM shares held by Tabag SAS.

On this occasion, the sub-concert composed of Messrs Stanislas and Godefroy de Bentzmann crossed, on 10 December 2020, below the thresholds of 20%, 15%, 10% and 5% of DEVOTEAM's voting rights and no longer held any DEVOTEAM shares directly.

**By letter received on 15 December 2020**, the simplified joint stock company Tabag declared that it had, on 1 December 2020, crossed below the thresholds of 5% of the share capital and voting rights of DEVOTEAM and that it no longer held any DEVOTEAM shares. This threshold crossing is the result of the tender offer for DEVOTEAM shares initiated by the company Castillon.

### 2.3.3 Transactions performed in 2020

#### Transactions on own shares

Over the course of the financial year, the Company did not carry out any transactions on the treasury shares. At 31 December 2020, the Company held 138,632 shares, i.e. 1.66% of the share capital, representing a purchase value of €1.3 million and a market value of €12.9 million.

### 2.3.4 Changes in market price

The Devoteam share price declined by 1.48% in 2020 compared to the decrease of 6.57% in the SBF 120 index and by 2.82% in the CAC Mid 60 index.

Date	31/12/2019	17/03/2020 (*)	18/12/2020 (*)	31/12/2020
Market price (€)	94.5	50.8	106.6	93.1
Market capitalisation (€M)	787.4	416.2	873.5	775.7

\* Highest and lowest prices for the period. The capitalisation is calculated on the weighted average number of shares for the year.



## 2.4 Internal control and risk management procedures

### 2.4.1 Internal control objectives

The aims of the internal control procedures in place at the Company are:

- to oversee the completion and optimisation of transactions;
- to check that the accounting, financial and management information communicated to the shareholders and to third parties (financial markets, banks, Devoteam corporate bodies, etc.) is reliable and accurately reflects the position and activity of Devoteam;
- to ensure that management procedures and employee behaviours are in line with the guidelines applicable to the activities of Devoteam and set by its executive management, by the applicable laws and regulations, and by the values, standards and internal regulations of the Company;
- to contribute to the protection of its assets and the detection of fraud.

However, the internal control procedures in place do not constitute an absolute guarantee against the risks identified.

Similarly, although subject to regular updates, risk mapping cannot protect the Group against unidentified risks.

### 2.4.2 General organisation, the main internal control parties and their role

#### 2.4.2.1 The Steering Committee

The Steering Committee has three members:

- the Chief Operations Officer;
- both members of the Management Board.

This committee is responsible for the operational application of the strategy defined by the Supervisory Board. The Steering Committee reports to the Audit Committee and the Supervisory Board on the key features of the internal control procedures, as well as the effectiveness thereof.

#### 2.4.2.2 The Executive Committee

The Executive Committee is currently composed of 12 members, including the Chairman and CEO of the Management board, the Group CFO, the COO, the Group Vice-Chairmen, as well as the representatives of the largest entities and countries of the France, Europe and Middle East regions.

The Executive Committee establishes the internal control procedures, sets the rules applicable to the entire Group and defines the limitations of powers.

These are communicated to the subsidiaries so that they may be incorporated within all local procedures.

#### 2.4.2.3 The Group's Finance Department

The Group CFO assists the Management Board in the areas of accounting and finance.

The Group CFO oversees a small team at the head office. This team handles accounting and consolidation, Group management control, legal and internal audit functions:

- the Group Accounts Department is responsible for preparing the consolidated financial statements, for defining the accounting principles applicable within the Group and the proper application thereof. It is also responsible for ensuring that the Group's accounting principles comply with IFRS, and for monitoring accountancy matters and cash management at the Group level;
- the Group's management control and reporting team (Financial Planning & Analysis) oversee the process and are responsible for ensuring and implementing a smooth budgetary process;
- the Group Legal Department is responsible for the Group's legal monitoring and legal security;
- the Internal Audit Department carries out assessments and provides recommendations on the Group's internal control procedures. Although hierarchically reporting to the Group CFO, it also reports to the Management Board and the Audit Committee on its work.

With regard to the relationship between the Group CFO and the regional and subsidiary Financial Directors, the Group has always favoured and encouraged a hierarchical relationship so as to maintain a certain degree of independence between the Financial Directors and the Executive Boards of these subsidiaries.

As such, all regional and subsidiary Financial Directors report directly to the Group CFO. In particular, the latter is responsible for ensuring that the finance-related resources in place (tools and human resources) are sufficient to meet the requirements and development of the Group.

#### 2.4.2.4 The Group's Operations Department

The Group COO assists the Management Board in the steering of all commercial activity in France and internationally. He reports on the operational performance of the Group at Steering Committee meetings.

The Operations Department is in charge of steering and evaluating the Group's performance. The local Finance Departments report functionally to the Operations Department on the performance of their businesses at *business reviews*. The Country Managers and operational entities report either directly or functionally to the Operations Department.

#### 2.4.2.5 The operational entities

Each operational entity is headed by a CEO (or Country Manager for foreign subsidiaries). The operational entities are grouped into a limited number of regions, each of which is led by an EVP or dedicated CEO with clear responsibilities. In particular they are in charge of implementing the decisions and strategy defined by the Group's Steering Committee and Executive Committee, as well as the organisation of internal control procedures in their own entities.

In 2019, no organisational changes took place and entities are still divided into operational sectors: France, Northern Europe and Benelux, Central Europe, Iberia & Latam, Rest of the world, Corporate & Other, and Divested entities. These scopes are presented in Note 3.19 to the consolidated financial statements. The entities presented in the "Corporate & Other" region in Section 3.19 operate independently or as "Venture capital" and are managed separately. The management of this operational sector is based on financial indicators and is specially monitored by the Group Chief Financial Officer, who is a member of the Executive Committee.

Each operational entity, depending on its size, may be structured into several business units, so as to facilitate the management thereof.

#### 2.4.2.6 The Group's functional departments

The Group's Human Resources Department has the following responsibilities:

- to identify the needs and new expectations of employees and incorporate these into the new Group HR policy;
- to coordinate the work carried out by regional and subsidiary HR Managers with the strategic objectives set by the Steering Committee;
- to prepare and update the mapping of potential high flyers within the Group;
- to initiate senior recruitments within the Group;
- to monitor the compensation of the Corporate team, the EVPs and the Country Managers.

The Management Board, with the support of the Group's Finance Department and the Operations Department, has the additional responsibilities of studying all opportunities for external growth and of overseeing financial communication.

The Group's General Secretary is responsible for insurance and general services (including property portfolio management). The General Secretary plays an important role in the evaluation of risks and the solutions to be implemented.

#### 2.4.2.7 The functional departments of the entities

Depending on its size, each region and/or operational entity has its own cross-functional departments known as support services. Generally speaking, there are a number of support services that also play an important role in internal control:

- the Finance Department and notably management control;
- the Human Resources Department (including the recruitment, training and payroll functions);
- marketing;
- general services;
- internal IT.

### 2.4.3 Brief description of internal control procedures

#### 2.4.3.1 The internal control environment

Generally speaking, the organisational structure of the Devoteam Group is decentralised for the operational entities, and centralised for the so-called support and functional entities, wherever possible. The Corporate teams are in charge of the steering and auditing of all Group entities. They are primarily composed of the following two bodies: the Operations Department and the Finance Department. The global strategy is defined at Steering Committee meetings and communicated throughout the Group via Executive Committee meetings.

#### A transparent strategy, shared by all managers

The Devoteam Group formally manages the implementation of the Group's strategy:

- every two weeks, the aforementioned Steering Committee meets to set objectives, clarify strategic development priorities and redefine the boundaries in accordance with the current circumstances;

- every month, the Executive Committee meets to share the decisions of the Steering Committee with the various operational entities and to manage the organisation.

### 2.4.3.2 Risk management related to the preparation and processing of accounting and financial information

The French Financial Markets Authority (AMF) has defined an internal control reference framework that French companies subject to the obligations provided for by the Financial Security Act are recommended to use and apply in their subsidiaries. The Devoteam Group refers to the reference framework for small and medium-sized companies.

#### Major risks

Risks related to the reliability of financial information that could mislead third parties about the position and performance of the Company.

#### Control activities

##### ➤ Accounting and financial organisation

Each entity or operational region has its own Finance Department that records its financial data and a Management Control Department that performs controls of transactions and financial planning.

The Group Finance Department has established permanent reporting procedures that enable it to monitor and steer the activity of each entity.

##### ➤ Performance management processes within the Devoteam Group

Performance management is organised around three pillars:

- definition of goals;
- measurement of the key performance indicators (KPI): revenue, gross margin, operating margin, operating result, changes in workforce, resource utilisation rate, selling price, average cost of productive workforce, seniority pyramid, client outstandings and invoices to be prepared, contribution of strategic offers and partnerships, etc.;
- review meetings and presentation to the Executive Board.

This structure is repeated for three types of deadlines (multi-year, annual, monthly) and at all levels of consolidation (by BU, country, region, etc.).

- *A multi-year business plan process*

The Group's business plan is constructed by the Management Control Department, the Operations Department and the management of the subsidiaries. It is based on the operational levers (KPIs) of the Group's strategic plan and validated for each entity by one of the members of the Group Executive Committee and at the consolidated level by one of the members of the Management Board. Each subsidiary provides information on its own business plan within the Group's reporting tool. Where applicable, these business plans are revised annually.

- *The annual budgetary process*

A monthly budget is prepared each year by each operational entity (based on the first year of their business plan) and by the shared service centres (which provide support services for several operational entities).

The main indicators are subject to comparative analyses by the Group's management in relation to the objectives initially set and are compared to previous financial years or similar units.

The business plan and the budget are formalised in a document called the *budget management cockpit*.

- *Monthly reporting process*

Each month, all of the operating entities prepare a monthly results report and a forecast update for the year. This is integrated into the Group's reporting tool and consolidated by the Group's Management Control Department.

The monthly reporting is analysed and discussed with the entities at a monthly meeting (the *business review*). It is formalised by a document: *monthly management cockpit*. It makes it possible to analyse the performance of each subsidiary in relation to the objectives, to understand past deviations from them, but also to anticipate future deviations and implement corrective action plans.

##### ➤ Control process for ongoing projects

- *Monitoring the stage of advancement of projects*

Each project has an appointed person in charge of monitoring the development and execution of the project. For fixed-rate projects, a project manager is systematically appointed and reports to his or her hierarchical manager on the stage of advancement of the project and the delivery thereof to the client. For cost reimbursement projects, a commercial engineer is usually in charge of monitoring the service provided by the consultant.

- *Project quality control*

Every operational entity has a process for monitoring the quality of its projects, which usually consists of sending a questionnaire to a selection of clients to determine their satisfaction with the services provided.

This process is generally the responsibility of each entity.

- *Financial control of projects*

Each operational entity has its own Finance Director, and when required due to its size, one or more Management Controllers who are responsible for ensuring the financial monitoring of each project.

The main controls concern fixed-rate projects. The Management Controller monitors the costs charged (mainly the time spent by consultants) against the initial budget. He then compares this ratio with the technical progress of the project and calculates what still needs to be done for it to reach completion, provided by the Project Manager.

The invoicing status is another indicator that is monitored, particularly the amount outstanding and the reasons for this.

- *Controlling the contractual aspects of the project*

Generally speaking, each business unit manager checks the client contracts and purchase orders received or due to be received.

For projects requiring the drafting of more complex contracts, the Legal Department provides advice and recommendations for the Group's commitments vis-à-vis its clients and third parties.

### ➤ **The accounts consolidation process in the Devoteam Group**

- *Accounts consolidation process*

This is carried out every quarter. The instructions, information to be provided and tasks to be carried out are automatically sent to each Group entity before the end of each quarter.

The Group places particular emphasis on deadlines that require financial communication, especially those required by the Statutory Auditors (half-yearly and annual financial statements), and ensures that the reported accounts and those included in the audit scope have indeed been audited.

Every legal entity closes their own accounts and sends its income statement and balance sheet to the Group Finance Department as part of the consolidation process.

The monthly reports are systematically matched against the statutory financial statements provided by each entity. Any variations are investigated by the reporting unit or the Group's Consolidation Department.

Accounting restatements, particularly those linked to differences in the way local accounting standards are treated compared to international financial standards, are checked by the Group's Consolidation Department.

- *Process for the auditing of subsidiary financial statements*

The definitive individual financial statements of subsidiaries, once approved and audited, by local auditors where appropriate, are sent to the Group's Legal Department to be archived. They are reconciled with the accounts used to prepare the consolidated financial statements, and any variations must be explained.

### ➤ **Accounting and financial information systems**

- *Local accounting and financial information systems*

Each country has its own accounting and financial information system. However, the Group ensures that these systems meet professional standards so as to be able to produce both statutory financial statements (in compliance with local standards) and reporting (in compliance with Group standards).

In France, the accounting and financial oversight of the projects are performed in the Oracle *e-business suite* application, the data of which is stored on Oracle servers in Germany.

- *The reporting system*

The consolidation of statutory financial statements is performed using SAP BusinessObjects Financial Consolidation software, published by SAP, the market leader in reporting tools. The Group's Consolidation Department checks the consistency of the information received and the compliance thereof with the Group's accounting policies manual.

Management reporting is also produced using the same software (since 2009), which enables rapid consolidation and more effective controls.

### ➤ **The Group's accounting guidelines**

An accounting policies manual describes the rules applicable within the Group.

Each entity may have its own chart of accounts and specific accounting guidelines depending on its characteristics and local obligations. However, in the interests of consistency, the Group asks that all entities adopt the Group's chart of accounts wherever possible.

Changes in accounting methods as well as specific options at year-end are subject to approval by the Executive Board (or the Group CFO, by delegation of members of the Management Board) and the Statutory Auditors (for half-yearly and annual financial reports).

➤ **Financial communication**

The Group's financial communication is the responsibility of the Management Board, once it has been prepared by the Group's Finance Department.

Every year, the schedule of deadlines is provided to the Group's Finance Department, which must ensure that this schedule is adhered to.

Documents intended for third parties must be read and validated by the Executive Board and/or members of the Group's Finance Department. The annual and half-yearly financial reports are checked by the Statutory Auditors and presented to the Supervisory Board before being shared with any third parties.

**2.4.4 Risk factors**

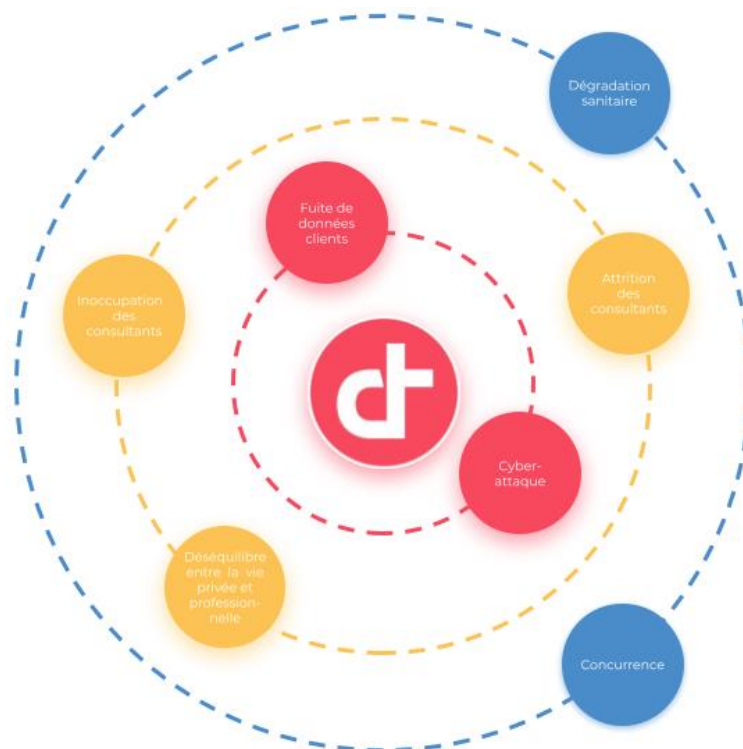
The Group carries out regular analyses of the financial and non-financial risks to which it is exposed and which may influence its activities and/or performance. In response, the Group is implementing appropriate measures to mitigate these risks and their impacts, and even preventively create opportunities.

One of the objectives of this risk analysis is to protect the Devoteam Group's employees, customers, resources, brand and data. In the interests of transparency, one of the underlying objectives is also to inform all stakeholders of the risks to which the Group is exposed.

Initially, the Group identified the risks to which it was exposed by organising interviews and discussion workshops with key players in its ecosystem. The risks were then rated on a scale, which then made it possible to rank them and identify those that were most likely to affect the Group's activities.

Only the non-financial risks considered significant are presented. Furthermore, the financial risks (credit risk, liquidity risk, market risk, foreign exchange risk, etc.), are presented in Note 8 to the consolidated financial statements and none of these financial risks have been judged critical for the Group.

Changes to the economic or legal environment could generate risks that are not currently identified as significant and which could have a significant unfavourable effect on the Group's activity, its financial situation or its earnings.



The two criteria used for this assessment are: the impact and the probability of occurrence of the risk. The overall risk score is equivalent to their product.

The risk rating scale ranges from 1 to 4 like the single risk assessment documents (SRAD). Devoteam's provisions mitigate the risks and are explained herein. The assessment is therefore clear. The Devoteam Group Business Continuity Plan covers all its aspects.

With regard to these elements, an acceptability threshold is set at 8. For equivalent or higher risks, specific measures are implemented and are presented below:

	Risks	Descriptions	Mitigation policies and measures	Opportunities	Monitoring indicators
Finance	Non-use of consultants	The optimisation of the rate of use of resources is highly dependent on the level and performance of commercial activity. This rate depends on the Group's ability to constantly adjust the size and profile of its teams in line with market demand. It is not certain that the Group will be able to maintain this rate consistently. The risk is to have a certain number of consultants without projects, between two missions and thus to have expenses without income. As the cost base remains unchanged, the revenue shortfall has a full impact on operating income.	This rate depends on the Group's ability to constantly adjust the size and profile of its teams in line with market demand. It depends just as much on the level and performance of the commercial activity. Thus, the Group constantly plans and matches resources to the current and expected levels of activity. The resources utilisation rate is one of the major indicators monitored by the Group.	Employee retention, soundness of relationships with stakeholders and responsible operational and financial performance	Resource utilisation rate
	Attrition of consultants	The Group's production capacity is based essentially on its employees. However, structurally speaking, the Group operates within an employment market where the supply of IT engineers exceeds the demand. In this pressurised context, the Group is exposed to the risk of losing some of its production capacity and expertise. This indicator is the subject of constant attention in order to maintain it within industry standards. However, it is strongly linked to the economic climate, and a recovery in economic activity leads to a resumption of professional mobility and consequently an increase in the turnover rate.	The Group's objective is to recruit the best talent in order to provide services of high added-value to its clients. To this end, the Group invests significantly in its processes for selection, employee experience management, and career management. More particularly, the Group is currently investing in a new Human Capital Management tool, which will become the core of the Human Resources Information System, with the aims of supporting employees in their integration and development and monitoring their skills. The Group is highly attentive to the monitoring of indicators related to this risk and notably rates of attrition of resources, which are monitored at the highest level of the organisation.	Employee retention, soundness of relationships with stakeholders and responsible operational and financial performance	Attrition rate
Employees	Imbalance between personal and professional life	The imbalance between private and professional life is the difficulty in reconciling personal and professional commitments, which will contribute to dissatisfaction and which can generate a decrease in productivity and employee commitment. This imbalance is likely to generate several consequences such as stress, fatigue or overwork, guilt, reduced self-esteem and tense relationships with others. Or even mental, physical and emotional exhaustion and loss of efficiency. The pace of mass teleworking accentuates this risk.	<u>CSR - 5.3.4.4</u>	Soundness of relationships with stakeholders	MyDevoMood Index

Digital market	Competition	The IT services market is relatively fragmented and does not require much in terms of capital-intensive investments, making it subject to fierce competition and increasing numbers of new competitors. Several of the Group's competitors have stronger financial, technical and commercial support, a larger client base, a longer history and greater market recognition.	Through its innovation strategy and agility, the Group has regularly outperformed the market for several years, notably in terms of the rates of growth of its activities. In order to remain one of the market leaders, the Group constantly ensures that its offers match market requirements in terms of technological innovation (see above), strategic partnerships or the quality of the training of its employees.	Sustainable business solutions and conquering new markets	Competition watch
Security of information and data	Data breach	The data of Devoteam stakeholders (including those of Devoteam, its customers) are stored in Devoteam ecosystem applications, exposing them to potential breaches (emails, calls for tenders [drives], contracts, personal data), which could lead to breaches of the confidentiality of this data. Consultants on assignment with Devoteam clients have access to confidential data that they could also misuse.	<a href="#">CSR - 5.2.3</a> <a href="#">CSR - 5.2.4</a>	Positive reputation of the Company and responsible operational and financial performance	Number of security incidents
	Cyberattack	A major cyberattack, such as a ransomware attack, affects the availability of all or part of Devoteam's critical systems, resulting in a long-term remediation process leading to a prolonged interruption of operations for customers.	<a href="#">CSR - 5.2.3</a>		Number of cyberattacks
Working environment	Health degradation	A health risk is an immediate or long-term risk representing a direct threat to the health of Devoteam employees and requiring an appropriate response from the healthcare system. These risks include, in particular, infection risks that could lead to contamination of the population.	See Introduction of the CSR report	Reputation of the Company and soundness of relationships with stakeholders	Crisis management indicators
					Number of cases of contamination identified

#### 2.4.4.1 Other risks related to employees

As a group that essentially delivers services with high added-value, the human capital is the Group's main asset. The management of skills and the performance and quality of the profiles of the Group's employees are essential to deliver the services required by clients. Shortcomings in this area could have significant unfavourable effects for the Group's ability to sell and deliver its services and could cause risks of loss of clients and reputation. In this regard several critical risks are identified, namely:

##### ➤ **Obsolescence of skills**

###### Description of the risk:

In an environment marked by rapid changes to technologies, the Group is exposed to the difficulty of delivering services using the latest technologies and thus of not being able to fulfil the requirements of its clients. It must therefore ensure that its employees are constantly trained in the latest market innovations in order to fight skills obsolescence.

###### Arrangements for mitigating the risk:

Since it was created, the Group has always invested very heavily in the training of its employees, both through external training programmes leading to certification and through its internal "My Devoteam Academy" training, so that the skills of employees match the requirements of the market and the right technological choices can be made. Furthermore, the Research and Innovation Department enables employees to take part in defining innovative and high-added-value offers, while developing their skills.

The Group is currently setting up very accurate monitoring of the number of certifications, particularly in developing its strategic partnerships (Google, Aws, Microsoft, etc.), a genuine element of differentiation and future development.



➤ **Salary inflation and price pressure**

Description of the risk:

In an employment market where the current supply of IT engineer positions exceeds the number of engineers, consultant salaries tend naturally to rise faster than price inflation. At the same time, the majority of Devoteam clients have implemented price schedules, depending on the services sold. These schedules are regularly reviewed and are subject to negotiation with clients when master contracts are renewed, with a risk of price pressure. The result is a scissor effect that could erode the Group's margins.

Arrangements for mitigating the risk:

Since 2012 and the implementation of the "Eagle" operational model, the Group has made use of scissor-effect monitoring tools, notably by implementing price lists and standard costs that make it possible to monitor the margins on transactions as closely as possible. Simultaneously, as described above, the Group is investing heavily in the skills of its employees and in its offers in order to maintain a high level of added-value for clients and thus maintain a "premium price" in order to protect the Group's margins and investment capacity.

➤ **Risks related to illegal employment**

Description of the risk:

This type of risk mainly applies to technical assistance services. The risk is of having these services considered equivalent to the lending of labour, an unlawful practice except within the provisions relative to temporary work.

Arrangements for mitigating the risk:

The Group is particularly attentive to this risk and constantly makes sure that the content of contracts signed with clients is compliant with the rules and laws in force and makes sure that the process of monitoring the activity of employees providing this type of service is always strictly complied with (clear mission instructions, regular activity reports, monitoring and managerial link, etc.).

More details on the policy on employees can be found in Section 5.2 of the corporate social responsibility report.

**2.4.4.2 Other risks related to the security of information and data**

Faced with the growing complexity of information systems and the increasing number of malicious actions targeting companies, the security of information systems and the protection of data are major issues for the Group. Any incident could have a significant impact on the Group's ability to continue its activities and have a strong reputational impact which could cause a decline in activity.

➤ **Security of information systems**

Description of the risk:

The Group's activity exposes it to various risks related to its information system, either through direct attacks or by rebound effects aiming to reach data pertaining to its clients. These risks could harm the availability, integrity and/or confidentiality of data that directly affect the operational activities of the Group, its clients or partners. Moreover, through the strong increase in the technologies used and their spread to all activities of the organisation, the level of risk in this area is constantly growing. Security has become an element of strategic differentiation in the market, with a significant reputation risk.

Arrangements for mitigating the risk:

The Group has set up a team dedicated to security within the DSI, in charge of the Group's security policy, both internally for its own information system and when providing its services at clients' premises. This team is responsible for preventing, analysing and processing all incidents relating to information systems security. Furthermore, in order to educate all employees on this subject, the Group offers its employees training courses dedicated to security as well as regular campaigns to raise awareness of best practices. Lastly, the Group has a range of services and recognised specialists in the subjects of cybersecurity (one of the Group's 7 offers) and therefore also relies on its internal ecosystem to constantly ensure an appropriate level of protection in relation to market standards.

➤ **Data protection**

Description of the risk:

Since the entry into force of EU Regulation No. 2016/679, the General Data Protection Regulation (GDPR), the protection of personal data within the European Union, the Group's main area of activity, has been strengthened and unified. As an actor in the digital economy, the



Group is exposed to a risk of a breach of personal data for itself or its clients and partners, resulting in possible litigation, financial harm or fines and legal action that would have a negative impact on the Group's reputation.

Arrangements for mitigating the risk:

A major issue for the Group, the governance, directed at the highest level of the organisation, is organised around a DPO and a network of correspondents in each Group entity in charge of directing and securing the obligations arising from the regulation. The Devoteam Group has thus obtained GDPR Governance certification delivered by the French data protection authority (CNIL) under number 2018-241. Also, in the context of projects with clients, the legal and security teams and the DPO work together to provide support in analysing risks of legal non-compliance.

More details on the data security policy can be found in Section 5.2.3 of the corporate social responsibility report.

### **2.4.4.3 Risks related to client contracts and the market**

The Group's IT market is cyclical and depends strongly on demand from clients and their satisfaction. The Group is therefore highly exposed to a risk of a downturn in the economy and the satisfaction of its clients.

➤ **Risks related to client contracts**

Description of the risk:

The services provided by the Group are often at the heart of the digital transformation of clients. Any inappropriate implementation of a project is likely to significantly affect the client's activity, which could harm Devoteam's reputation, increase the risk of disputes, penalties and payment delays, or force a project redesign, thus causing loss of revenue. Moreover, in fixed-price contracts, the margin and therefore the earnings of the Group could be negatively affected in the case of poor evaluation of the time necessary to implement the projects concerned, resulting in an increase in expenses with no corresponding increase in revenue, as well as possible penalties depending on the negative consequences for the clients.

Arrangements for mitigating the risk:

The Group regularly and attentively monitors the quality of its services, through local management on client sites and regular meetings of steering committees with employees in the presence of clients. It also ensures that the risk of dependency on one client remains low (less than 5% of revenue). Concerning fixed-price contracts, an internal control procedure specific to fixed-price contracts assesses the risks throughout the life-cycle of the service. This procedure is described in Section 2.4.3.2 of the Management Board's report on the Group's business and management.

➤ **Risks related to subcontracting on client contracts**

Description of the risk:

For contracts with its clients, the Group may have to call upon subcontractors when the client projects require a particular skill that the Group does not possess. In this context, the Group is subject to an obligation for vigilance, governed by law, concerning the tax and social-charges situation of its subcontractors. The Group must also ensure that the personnel of its subcontractors remain under the authority of their employer in order to avoid the risk of the illegal loan of labour.

Arrangements for mitigating the risk:

In its main geographical areas, the Group has established a strict process for monitoring its subcontractors and notably concerning the verification of their tax and social-charges situation before projects begin. This process is based on dedicated tools enabling the industrialisation of this risk monitoring.

The Group also makes sure that contracts signed with subcontractors comply with the laws and regulations in force, notably with regard to the risk of illegal lending of labour.

➤ **Risks related to the economic climate**

Description of the risk:

As a cyclical industry, the IT market is heavily reliant on the levels of investment and spending by the major economic players. In difficult conditions, clients tend to reduce their IT investment budget. The Group's activity is therefore strongly related to the economic climate.

Arrangements for mitigating the risk:

The Group attentively observes worldwide macroeconomic changes and changes to the situation of its main clients and potential impact on its level of activity. As far as possible, it anticipates expected changes to activity levels in its sector, notably through sectoral studies.

➤ **Risks related to technological innovation**

Description of the risk:

In an environment where technologies change very quickly and the digital transformation is disrupting numerous business models, there is a risk that the Group might not be capable of adapting its offers to new changes and thus suffer loss of competitiveness in the markets.

Arrangements for mitigating the risk:

The Group has put innovation at the core of its development strategy, notably through its strategic partnerships. The Group's strategy and innovation team constantly makes sure that the Group's offers match the requirements of the market and actively monitors the market for early detection of future business trends.

**2.4.4.4 Risks related to international expansion and acquisitions**

Until 1999, Devoteam's development was focused on internal growth in France. Since then, it has expanded internationally, mainly through acquisitions. Today, the Group generates more than 50% of its revenue internationally and is present in 18 countries in Europe and the Middle East. This strategy entails risks, which are related to cultural, operational and managerial differences between the Group and the companies acquired, as well as risks related to the quality of the integration of the acquired companies.

➤ **Risks related to international expansion**

Description of the risk:

Originally focused on the French market, the Group now generates most of its revenue internationally, mainly in Western Europe. The Group operates in these markets through subsidiaries generally resulting from external growth operations and often managed by the selling shareholders. The risks could occur through a drop in the performance of the entities acquired and result in depreciation of the intangible assets and goodwill attached to these entities.

Arrangements for mitigating the risk:

The Group has set up a system of internal control procedures for monitoring the activity of the foreign subsidiaries through monthly performance and activity reviews and forecasts, as well as visits to the countries under the supervision of the Group's Operations Department. The Group has also deployed its "Eagle" operational model in most of its subsidiaries, which can analyse the operational indicators of these entities and quickly identify risks of drops in activity and/or profitability.

➤ **Risks related to acquisitions**

Description of the risk:

As part of its strategy, the Group is continuing to strengthen its activities by making targeted acquisitions. The acquisition of companies and their integration involves certain risks, notably related to the failure of the integration of operations, which may result in loss of important clients, the departure of key employees from the acquired companies and the worsening of their financial performance.

Arrangements for mitigating the risk:

The acquisitions are under the responsibility of the Management Board, which delegates the process of selection and negotiation to the Group's M&A team. This team ensures that the targets match the Group's acquisition strategy, supervises the necessary financial and operational due diligence and carries out all negotiations until signature of the contract. The Group has set up a Post-Merger Integration

(PMI) team, under the supervision of the Operations Department, in charge of directing the integration of the acquired company into the Group's operational and financial ecosystem. Lastly, and in order to ensure the support and loyalty of key persons, the managers of these companies often retain a share in the share capital, enabling a complete alignment of interests.

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The draft resolutions submitted to you summarise the main points contained in this report. We hereby ask you to approve these resolutions and thank you for your trust and collaboration.

The Management Board

### 3 DEVOTEAM GROUP CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1 Consolidated statement of financial position

ASSETS <i>In thousands of euros</i>	Note	31 December 2020	31 December 2019
Goodwill	5.1	146,725	136,564
Other intangible assets	5.2	3,427	4,098
Tangible assets	5.3	10,978	11,565
Right-of-use assets	5.4	42,947	44,733
Non-current financial assets	5.5	7,156	5,863
Investments in associates	5.6	2,358	4,975
Investment property	5.7	-	457
Deferred tax assets	5.11	7,876	6,863
Other non-current assets	5.8	249	183
<b>TOTAL NON-CURRENT ASSETS</b>		<b>221,716</b>	<b>215,301</b>
Trade receivables	5.9	233,249	238,425
Other receivables	5.9	61,380	40,994
Tax receivables	5.9	5,263	5,784
Other current financial assets	5.10	4,677	2,389
Cash and cash equivalents	5.10	154,631	81,659
<b>TOTAL CURRENT ASSETS</b>		<b>459,199</b>	<b>369,251</b>
<b>TOTAL ASSETS</b>		<b>680,915</b>	<b>584,552</b>

LIABILITIES AND EQUITY <i>In thousands of euros</i>	Note	31 December 2020	31 December 2019
Share capital	5.12	1,263	1,263
Share premium		1,934	1,934
Consolidated reserves		174,914	154,983
Treasury shares		(1,263)	(1,263)
Translation reserves		(3,007)	(2,154)
Profit for the year		40,829	41,571
<b>EQUITY ATTRIB. TO EQUITY HOLDERS OF PARENT COMPANY</b>		<b>214,670</b>	<b>196,334</b>
Non-controlling interests	5.13	16,518	15,050
<b>TOTAL EQUITY</b>		<b>231,188</b>	<b>211,385</b>
Loans and borrowings	5.14	1,694	31,835
Lease liabilities	5.4	31,241	33,546
Provisions	5.15	3,842	1,058
Pension liabilities	5.16	4,800	4,442
Deferred tax liabilities	5.11	1,110	1,275
Other liabilities	5.8	29,276	17,741
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>71,962</b>	<b>89,897</b>
Loans and borrowings	5.14	33,132	1,873
Lease liabilities	5.4	12,330	11,680
Provisions	5.15	9,979	7,241
Trade payables	5.9	76,450	57,318
Tax and social security liabilities	5.9	137,429	128,201
Income tax payable	5.9	8,539	5,256
Other liabilities	5.9	99,906	71,701
<b>TOTAL CURRENT LIABILITIES</b>		<b>377,765</b>	<b>283,270</b>
<b>TOTAL LIABILITIES</b>		<b>449,727</b>	<b>373,168</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>680,915</b>	<b>584,552</b>

### 3.2 Consolidated income statement

<i>In thousands of euros, except earnings per share</i>	Note	31 December 2020	31 December 2019
<b>NET REVENUE</b>	6.2	<b>760,371</b>	<b>761,870</b>
Other income		0	-
<b>CURRENT OPERATING INCOME</b>		<b>760,371</b>	<b>761,870</b>
Purchase of merchandise		(8,263)	(4,963)
Other purchases and external expenses	6.4	(160,621)	(171,648)
Taxes		(6,166)	(4,419)
Payroll expenses	6.3	(489,649)	(483,590)
Fixed assets depreciation		(19,501)	(17,907)
Increase in provision from current assets		(2,508)	(377)
Other expenses		0	(3)
<b>CURRENT OPERATING EXPENSES</b>		<b>(686,708)</b>	<b>(682,907)</b>
<b>OPERATING MARGIN</b>		<b>73,663</b>	<b>78,963</b>
Cost of share-based payment	6.3	(627)	(950)
Amortisation of customer relationships acquired under business combinations		(1,156)	(1,678)
<b>CURRENT OPERATING PROFIT</b>		<b>71,880</b>	<b>76,335</b>
Other operating income	6.5	15,343	1,799
Other operating expenses	6.5	(15,287)	(4,744)
<b>OPERATING PROFIT</b>		<b>71,935</b>	<b>73,391</b>
Financial income	6.6	989	447
Financial expenses	6.6	(4,784)	(3,820)
<b>FINANCIAL INCOME</b>		<b>(3,795)</b>	<b>(3,373)</b>
Share of profit of associates		2,321	534
<b>PROFIT BEFORE INCOME TAX</b>		<b>70,461</b>	<b>70,551</b>
Income tax expense	6.7	(24,062)	(23,006)
<b>NET INCOME</b>		<b>46,399</b>	<b>47,546</b>
<i>Attributable to:</i>		,	,
<b>Equity holders of the parent company</b>		<b>40,829</b>	<b>41,571</b>
Non-controlling interests		5,569	5,974
<b>Basic earnings per share (euro)</b>	<b>5.12.3</b>	<b>4.98</b>	<b>5.09</b>
<b>Diluted earnings per share (euro)</b>	<b>5.12.3</b>	<b>4.96</b>	<b>5.07</b>

### 3.3 Consolidated statement of total comprehensive income

<i>In thousands of euros</i>	31 December 2020	31 December 2019
<b>Profit for the year</b>	<b>46,399</b>	<b>47,546</b>
Defined benefit plan actuarial gains (losses)	(241)	(40)
Deferred taxes on defined benefit plan actuarial gains (losses)	48	7
<b>Items that will never be reclassified to profit or loss</b>	<b>(194)</b>	<b>(33)</b>
Foreign currency translation differences	(1,065)	247
<b>Items that are or may be reclassified subsequently to profit or loss</b>	<b>(1,065)</b>	<b>247</b>
<b>Other comprehensive income (loss) for the year, net of income tax</b>	<b>(1,258)</b>	<b>214</b>
<b>Total comprehensive income for the period</b>	<b>45,140</b>	<b>47,761</b>
<i>Of which:</i>		
Equity holders of the parent company	39,766	41,691
Non-controlling interests	5,374	6,070

### 3.4 Consolidated statement of cash flows

<i>In thousands of euros</i>	Note	31 December 2020	31 December 2019
<b>Profit for the year</b>		<b>46,399</b>	<b>47,546</b>
Adjustments for:		,	,
Share of profit of associates		(2,321)	(534)
Income tax expense		24,062	23,006
Amortisation and provision		33,444	20,668
Other transactions without impact on cash and cash equivalents		725	(266)
Income from asset disposals		(14,203)	(374)
Net interests income		2,431	3,415
Change in net working capital		39,397	(2,537)
Income tax paid		(20,245)	(18,607)
<b>Cash flow from operating activities</b>	<b>7.1</b>	<b>109,689</b>	<b>72,318</b>
Purchase of fixed assets		(3,957)	(6,760)
Purchase of financial assets		(881)	(1,740)
Proceed from sale of fixed assets		306	150
Dividends received		3,396	506
Proceed from sale of financial assets		14,012	3,665
Proceed of subsidiaries, net of cash divested		(88)	397
Acquisition of subsidiaries, net of cash acquired		(20,707)	(19,950)
<b>Cash flow from investing activities</b>	<b>7.2</b>	<b>(7,918)</b>	<b>(23,731)</b>
Proceeds from issue of share capital		-	(0)
Repayments of borrowings		(1,255)	(1,870)
Proceeds from borrowings		4	806
Repayment of lease liabilities		(14,620)	(12,708)
Change in factored receivables (net of security deposit)		(99)	(5,675)
Interests paid		(2,549)	(2,817)
Acquisition of non-controlling interests		(6,498)	(8,776)
Reduction in ownership interests while retaining control		74	733
Dividends paid		(3,826)	(11,704)
Transactions on own shares		-	54
<b>Cash flow from financing activities</b>	<b>7.3</b>	<b>(28,770)</b>	<b>(41,957)</b>
<b>Net change in cash and cash equivalents</b>		<b>73,001</b>	<b>6,629</b>
Net cash and cash equivalents at year start		81,592	74,643
Effect of non-current assets held for sale		-	-
Effect of exchange rate fluctuation on cash held		(1,493)	320
<b>Net cash and cash equivalents at year end</b>	<b>5.10</b>	<b>153,101</b>	<b>81,592</b>
<u>Reconciliation with cash and cash equivalents in the balance sheet</u>			
<b>Cash and cash equivalents in the balance sheet</b>		<b>154,632</b>	<b>81,659</b>
Bank overdrafts		(1,531)	(67)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>5.10</b>	<b>153,101</b>	<b>81,592</b>

### 3.5 Consolidated statement of changes in equity

<i>In thousands of euros, except per share data</i>	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves	Translation reserves	Total equity - Owners of the Company	Non-controlling interests	Total equity
<b>Balance at 1 January 2020</b>	<b>8,332,407</b>	<b>1,263</b>	<b>1,934</b>	<b>(1,264)</b>	<b>196,556</b>	<b>(2,154)</b>	<b>196,334</b>	<b>15,050</b>	<b>211,385</b>
<b>Total comprehensive income for the period</b>									
Profit for the year					40,829		40,829	5,569	46,399
Other comprehensive income <sup>(1)</sup>					(210)	(852)	(1,063)	(195)	(1,258)
<b>Total comprehensive income for the period</b>					<b>40,619</b>	<b>(852)</b>	<b>39,767</b>	<b>5,374</b>	<b>45,141</b>
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>									
Dividends paid in respect of the 2019 financial year					(0)		(0)	(3,868)	(3,868)
Share-based payment transactions					330		330		330
Operations on equity instruments			-		-		-		-
Adjustment related to the number and value of own shares				(118)	-		(118)	(31)	(149)
Capital increase through exercise of options	-	-	-				-		-
<b>Total contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(118)</b>	<b>329</b>	<b>-</b>	<b>212</b>	<b>(3,899)</b>	<b>(3,687)</b>
<b>Changes in ownership interests</b>									
Acquisition and disposal of NCI without change in control					(20,266)		(20,266)	(439)	(20,705)
NCI on the acquisition/creation/disposal of subsidiaries					(0)		(0)	432	432
<b>Total changes in ownership interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,266)</b>	<b>-</b>	<b>(20,266)</b>	<b>(7)</b>	<b>(20,273)</b>
Other movements <sup>(2)</sup>					(1,377)		(1,377)		(1,377)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(118)</b>	<b>(21,313)</b>	<b>-</b>	<b>(21,431)</b>	<b>(3,906)</b>	<b>(25,337)</b>
<b>Balance at 31 December 2020</b>	<b>8,332,407</b>	<b>1,263</b>	<b>1,934</b>	<b>(1,382)</b>	<b>215,861</b>	<b>(3,007)</b>	<b>214,670</b>	<b>16,518</b>	<b>231,188</b>

(1) Details provided in the statement of comprehensive income.

(2) Mainly corresponds to the goodwill adjustment of the Spain CGU.



<i>In thousands of euros, except per share data</i>	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves	Translation reserves	Total equity - Owners of the Company	Non-controlling interests	Total equity
<b>Balance at 1 January 2019</b>	<b>8,332,407</b>	<b>1,263</b>	<b>1,934</b>	<b>(2,501)</b>	<b>177,267</b>	<b>(2,367)</b>	<b>175,597</b>	<b>12,009</b>	<b>187,606</b>
<b>Total comprehensive income for the period</b>									
Profit for the year					41,571		41,571	5,974	47,546
Other comprehensive income <sup>(1)</sup>					(34)	153	119	96	215
<b>Total comprehensive income for the period</b>					<b>41,538</b>	<b>153</b>	<b>41,690</b>	<b>6,070</b>	<b>47,761</b>
<b>Transactions with owners of the Company</b>									
<u>Contributions and distributions</u>									
Dividends to equity holders for the profits of 2018					(8,188)		(8,188)	(3,168)	(11,356)
Share-based payment transactions					540		540		540
Operations on equity instruments					-		-		-
Adjustment related to the number and value of own shares				1,237	(776)		461		461
Capital increase through exercise of options							-		-
<b>Total contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,237</b>	<b>(8,424)</b>	<b>-</b>	<b>(7,187)</b>	<b>(3,168)</b>	<b>(10,355)</b>
<u>Changes in ownership interests</u>									
Acquisition and disposal of NCI without change in control					(9,830)		(9,830)	(909)	(10,738)
NCI on the acquisition/creation/disposal of subsidiaries					-		-	435	435
<b>Total changes in ownership interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,830)</b>	<b>-</b>	<b>(9,830)</b>	<b>(473)</b>	<b>(10,303)</b>
Other movements <sup>(2)</sup>					(3,995)	60	(3,935)	612	(3,323)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,237</b>	<b>(22,249)</b>	<b>60</b>	<b>(20,952)</b>	<b>(3,029)</b>	<b>(23,981)</b>
<b>Balance at 31 December 2019</b>	<b>8,332,407</b>	<b>1,263</b>	<b>1,934</b>	<b>(1,264)</b>	<b>196,556</b>	<b>(2,154)</b>	<b>196,334</b>	<b>15,050</b>	<b>211,385</b>

(1) Details provided in the statement of comprehensive income.

(2) Mainly corresponds to the purchase of DSP from Devoteam Middle East as well as to the adjustment of Jayway, Bold and TMNS puts.

### 3.6 Notes to the consolidated financial statements

#### Note 1 - Nature of the business and significant events

##### 1.1 Company references

Devoteam SA (the Company), the parent company of the Group, founded in 1995, is a limited liability company (société anonyme) with share capital of €1,263,015, governed by the provisions of French law. The company is registered in the Nanterre Trade and Companies Register under number 402 968 655; its registered office is located at 73 rue Anatole France, 92300 Levallois-Perret.

Devoteam SA has been traded on Euronext Paris (ISIN FR 0000073793) since 28 October 1999 (Eurolist compartment B).

##### 1.2 Nature of the business

Devoteam, a European consulting and engineering group, is a major player in business consulting in the fields of innovative technologies and management. With 25 years of experience in innovative and disruptive technologies, the Group supports its clients through the digital transformation of their organisational structure and their businesses.

##### 1.3 Significant events in 2020

The year 2020 was marked and impacted from mid-March by the COVID-19 health crisis. This unprecedented crisis has upset the fundamentals of our economies and created significant uncertainties in the economic environment. Faced with this crisis, the Group reacted quickly to adapt to the different periods of lockdown and to preserve the health of its employees. The business was impacted mainly in France, Germany and the Benelux countries. In these areas, the Group has used partial activity or its equivalent to cushion the decline in activity. The Group's other geographical areas were less affected due to customer activities in less affected segments, such as telecoms, healthcare and the public sector. During this period, the Group continued to invest with its strategic partners in innovation and training in order to increase the skills of its teams in the technologies that contribute most to the acceleration of the digitalisation of the economy.

In addition to the operational resilience shown by the Group during this major crisis, the Group was also able to rely on a very solid balance sheet with a net cash position that was significantly strengthened, in particular through a strong improvement in the number of days of sales outstanding and by the decision of the Management Board, supported by the Supervisory Board, not to distribute dividends for the year 2019. This strategy enabled the Group, despite the crisis, to continue to strengthen its activities through three targeted acquisitions made in the second half of the year:

- On 10 July, the Group acquired 70% of Inviso, a Danish business intelligence and data analytics specialist, Tableau's "Gold Partner" and Alteryx's "Premier Partner". The company has approximately 60 employees and generated revenue of approximately €7 million in its last financial year (estimate after application of IFRS 15).
- On 4 August, the Group acquired 70% of Fourcast, a Belgian specialist in the integration of Google Cloud solutions present in Belgium, the Netherlands and the United Kingdom. The company has approximately 25 employees and generated revenue of approximately €3.5 million in its last financial year (estimated after application of IFRS 15).
- On 23 December, the Group acquired 100% of Ysance, a French data specialist and partner of the leading publishers of business intelligence solutions. The company has approximately 70 employees and generated revenue of approximately €5.5 million in its last financial year.

The year 2020 was also marked by the transaction on the Company's share capital, announced in July 2020, in which the founders, members of the Management Board and reference shareholders of Devoteam, Messrs Godefroy and Stanislas de Bentzmann, with the support of KKR as financial partner, jointly launched a takeover bid for Devoteam shares in order to consolidate their control. The objective is to accelerate Devoteam's complex transformation and to deliver the strategic vision "Tech for people" within a highly demanding and competitive digital landscape. This operation allows Castillon (the holding company of the operation) to hold just over 80% of the Group's capital.

On 10 September, following the annual review of the Euronext Paris indices, the Expert Indices Committee decided to include Devoteam in the samples making up the SBF 120 and CAC Mid 60 indices. The effective date of this decision was set at Friday 18 September 2020 after the close of the market.

The Company's consolidated financial statements for the financial year ended 31 December 2020 include the Company and its subsidiaries ("the Group"), as well as the Group's share of the results of associates and jointly controlled companies.

The financial statements were approved by the Management Board on 8 March 2021, and will be submitted to the General Meeting for approval on 4 June 2021.

## **Note 2 - Consolidation principles and methods**

### **2.1 Statement of compliance**

The IFRS principles used are those adopted by the European Union and published in the *Official Journal of the European Union* before 31 December 2020. They are available on the website of the European Commission ([https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_fr](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr)) and comply with IFRS as issued by the IASB.

International accounting standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The annual consolidated financial statements to 31 December 2020 prepared in compliance with the IFRS published by the IASB and adopted by the European Union are consistent with those of the previous year, with the exception of the mandatory standards, amendments and interpretations applicable with effect from 1 January 2020 having an impact for the Group.

Furthermore, the Group chose not to apply any standards, amendments or interpretations early.

### **2.2 Basis of measurement and presentation currency**

The financial statements are presented in euros (the Company's functional currency), rounded to the nearest thousand. They are based on historical cost, except for the following:

- derivative financial instruments measured at fair value;
- financial instruments at fair value through profit or loss;
- available-for-sale financial assets measured at fair value;
- contingent considerations arising from business combinations;
- investment property measured at fair value;
- liabilities arising from share-based payments settled using treasury shares measured at fair value;
- net liabilities (assets) in respect of defined-benefit plans.

The methods used to measure fair value are described in Note 3.1.

### **2.3 Use of estimates and judgments**

The preparation of financial statements under IFRS requires the use of analyses based on measurements and assumptions bearing on the Group's income, expenses, assets and liabilities. These measurements are based on the experience gained by the Group and other factors considered reasonable under the prevailing circumstances. Actual amounts may differ from these estimates. Estimates have particular importance:

- in determining the amount of intangible assets recognised as part of business combinations (Notes 3.1 and 5.2);
- in recognising revenue on fixed-price contracts under the percentage-of-completion method (Note 3.12);
- in performing impairment tests of fixed assets, bearing in mind that testing of this nature involves the calculation of a recoverable amount derived from projected future cash flows, as well as growth and discount rate assumptions (Notes 3.2 and 5.1);
- in measuring earn-outs (Notes 3.2 and 5.1);
- in estimating provisions for litigation (Notes 3.11 and 5.15);
- in calculating pension liabilities and other long-term benefits, which requires actuarial assumptions to be taken into account (Notes 3.10 and 5.15);
- in calculating deferred taxes, and notably when assessing the recoverability of deferred tax assets (Notes 3.18, 5.11 and 6.7);
- in measuring derivative financial instruments (Note 3.7).

The significant judgements made by the Management to apply the Group's accounting policies in preparing the 2020 consolidated financial statements and the principal sources of uncertainty in the estimates did not differ significantly from those affecting the consolidated financial statements for the financial year ended 31 December 2019, with the exception of the impacts linked to the COVID-19 health crisis. The Group took into account the effects of the COVID-19 health crisis in the application of the main estimates

and judgements, in particular in the execution of impairment tests on the CGUs (Note 5.1), in the estimation of the recoverability of deferred tax assets on tax deficits (Note 5.11) and in the recognition of assets on contracts and the risk of loss of value on trade receivables (Note 5.9).

## 2.4 Consolidation principles

### 2.4.1 Business combinations

Business combinations are accounted for in accordance with IFRS 3 on the basis of the following principles:

- goodwill represents the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree), plus the amount recognised for any non-controlling interest in the acquiree, less the net amount recognised (generally at fair value) for the identifiable assets acquired and liabilities assumed, all of which are measured at the acquisition date. When the difference is negative, the resulting gain is recognised immediately in profit or loss;
- the Group has the option of measuring any non-controlling interest (e.g. minority interests) held in the acquiree either on the basis of the proportionate share of the identifiable net assets of the acquiree or at fair value. This option is available on a case-by-case basis for each acquisition;
- any adjustment in the purchase price is recognised at fair value as of the acquisition date. Subsequent changes are recognised in “Other operating income” or “Other operating expenses”;
- acquisition costs resulting from a business combination are recognised as incurred in “Other operating expenses”.

For business combinations achieved in stages, the previously held interest in the acquiree is remeasured at fair value as of the acquisition date, and any resulting gain or loss is recognised in “Other operating income” or “Other operating expenses”.

### 2.4.2 Acquisitions of and commitments to acquire non-controlling interests

#### Acquisitions prior to 1 January 2010

Commitments to acquire non-controlling interests are treated by the Group as anticipated acquisitions. Put options on non-controlling interests are accordingly recorded as “Financial liabilities” at the date of the business combination at the present value of the best estimate of the purchase value resulting from the contract. On initial recognition, the Group records the difference between the carrying amount of non-controlling interests and the present value of the put against goodwill.

Subsequently, the effects of the changes in assumptions taken into account in this measurement have an impact on the liability offsetting goodwill, while the effects of accretion have an impact on net financial income or expense and the liability.

However, changes in the percentage interest or newly issued puts in a subsidiary already controlled by the Group and the loss of control of a subsidiary occurring after 1 January 2010 are dealt with under the new provisions applicable below.

#### Acquisitions after 1 January 2010

Acquisitions of non-controlling interests or the issuance of minority puts on non-controlling interests are accounted for as transactions with owners acting in this capacity. As a result, no goodwill is recognised. The difference between the price paid (including direct transaction costs) and the carrying amount of the interest in the net assets acquired at the date of the transaction is recognised in shareholders’ equity. Subsequently, the effects of changes in assumptions taken into account in the measurement of the transaction price also have an impact on consolidated shareholders’ equity.

### 2.4.3 Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group is exposed or has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are taken into consideration insofar as such rights are material. The consolidated financial statements include the financial statements of acquired entities from the date control is obtained until the date control ceases.

### 2.4.4 Associates and joint ventures

Associates are entities in which the Group has significant influence in respect of financial and operating policy decisions, but not control. Significant influence is presumed to exist when the Group holds between 20% and 50% of an entity’s voting rights. Joint ventures are entities over which the Group exercises joint control by virtue of a contract under which strategic financial and operational decisions are subject to unanimous agreement.

Associates and joint ventures are accounted for under the equity method (“associates”), and are initially recognised at cost. The Group’s interest includes the goodwill identified at the time of the acquisition, less accumulated impairment losses.

The consolidated financial statements therefore include the Group’s share of the total comprehensive income of associates and joint ventures (after taking into account adjustments made to align accounting policies with those of the Group), from the date when significant influence or joint control is obtained until the date it ceases.

If the Group’s share of losses exceeds its equity interest, the carrying amount of investments consolidated under the equity method is reduced to zero (including any investment that is substantially part of the net investment), and the Group ceases to recognise its share of future losses unless the Group has a legal or constructive obligation to bear a portion of future losses or to make payments on behalf of the associate or joint venture.

#### **2.4.5 Elimination of intra-Group transactions**

All transactions, with the exception of impairment losses, and reciprocal assets and liabilities between fully consolidated companies are eliminated.

Gains arising from transactions with associates are eliminated through equity-consolidated securities in proportion to the Group’s interest in the company in question. Losses are eliminated in the same way as earnings, but only insofar as they are not indicative of an impairment loss.

#### **2.4.6 Translation of the financial statements of foreign companies and transactions in foreign currency**

The financial statements of foreign subsidiaries are translated into euros as follows:

- assets and liabilities (including goodwill and fair value adjustments arising on the acquisition) are translated at the exchange rates prevailing on the balance sheet date;
- income statement items are translated at the exchange rate prevailing on the date of the respective transactions or, in practice, at a price that is close to that rate and which corresponds, except in the case of significant fluctuations, to the average over the year;
- translation differences resulting from this conversion process are accumulated in equity, in the translation reserve.

The Group does not operate in hyperinflationary economies.

Foreign currency transactions are translated into the respective functional currencies of the Group’s various entities using the exchange rate prevailing on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currencies as of the balance sheet date are translated into the functional currency using the exchange rate on that date.

Exchange differences on monetary assets and liabilities denominated in foreign currencies are recognised in the operating margin or in financial income or expense, depending on the nature of the underlying transaction.

Non-monetary items denominated in foreign currencies and measured at historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items denominated in foreign currencies and measured at fair value are translated using the exchange rate at the date on which fair value was determined.

### **Note 3 - Accounting policies and methods**

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements. They have been applied in a uniform manner by all Group entities.

#### **3.1 Fair value**

Certain of the Group’s accounting policies and disclosures require the fair value of financial and non-financial assets and liabilities to be measured. Fair values have been determined for measurement or disclosure purposes in accordance with the following methods (additional information on the assumptions used to determine fair value is provided in the notes to the relevant assets or liabilities in the financial statements):

- intangible assets: the fair value of business relationships and backlogs acquired in a business combination is calculated using the multi-period excess earnings method. This method involves measuring the asset in question after deducting a reasonable return for other cash-generating assets derived from business relationships and backlogs. The fair value of technology (software) acquired in a business combination is calculated using the royalty method, which involves measuring the asset in question on the basis of the royalties that could be obtained if the asset were licensed;
- investment property: the fair value of investment properties is based on valuations made by independent appraisers, and reflects the market price at which the investment property could be sold or exchanged between well-informed, willing parties in an arm's length transaction. The Group determines fair value without deducting any prospective transaction costs on a sale or any other form of exit;
- investment in equity and debt securities: financial instruments at fair value through profit or loss and available-for-sale financial assets are determined by reference to the most recent bid price available as of the balance sheet date;
- derivative instruments: call options on non-controlling interests are valued according to commonly used option valuation methods, taking into account the particular conditions of the options in question;
- loans and receivables are measured at amortised cost. Due to the short-term nature of such assets, the carrying amount of trade and other receivables and cash is an estimate of fair value;
- non-derivative financial liabilities are measured at amortised cost. Due to the short-term nature of such assets, the carrying amount of current bank borrowings, trade and other payables is an estimate of fair value;
- the fair value of loans and borrowings is based on the value of future cash flows generated by the repayment of principal and interest, discounted at market interest rates as of the balance sheet date;
- for the determination of the right-of-use assets (lease contracts) based on the discounting of future rents to be disbursed, the discount rate is determined by reference to the Group's incremental borrowing rate adjusted by duration, geographic zone and size of the leaseholding entity;
- share-based payment transactions: the fair value of stock options granted free of charge to employees is generally measured using standard option valuation models, such as Black-Scholes, Hull & White and Monte Carlo.

### 3.2 Business combinations and goodwill

In a business combination, goodwill represents the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree), plus the amount recognised for any non-controlling interest in the acquiree, less the net amount recognised (generally at fair value) for the identifiable assets acquired and liabilities assumed, all of which are measured at the acquisition date.

In the event of a takeover by successive purchases of securities of a subsidiary, goodwill is only recognised when control is obtained.

Commitments in respect of additional payments or reductions in the purchase price contingent on financial performance (revenue, operating margin) are recognised at fair value as of the acquisition date. Changes (other than discounting effects) arising from facts and circumstances existing at the acquisition date and occurring within the allocation period are recorded against goodwill. Other changes are recognised in financial income or expense.

#### Recognition and measurement

Goodwill is treated as an intangible asset. Gains from bargain purchases are recognised immediately in profit or loss under "Other operating income" after a review of the assets and liabilities identified and measured and the assessment of the cost of the combination.

Goodwill is not amortised. It is tested for impairment at least once each year, and whenever events or changes in the internal or external environment indicate a risk of loss of value. In subsequent years, it is recorded at cost less accumulated impairment losses.

For the purpose of impairment testing, assets are grouped together in cash-generating units (CGU), and goodwill is allocated to the various CGUs. CGUs are homogeneous groups of assets whose continued use generates cash inflows that are largely independent of cash inflows generated by other groups of assets. The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use. The value in use of a CGU is the present value of discounted future net cash flows, which are estimated on the basis of parameters resulting from the budgetary and forecasting process, extended over a five-year timeframe, using growth and profitability rates deemed reasonable. Discount and long-term growth rates, determined with reference to the industry in which the Group operates, are used to estimate the value of CGUs. When the recoverable amount of a CGU is less than its carrying amount, the resulting impairment loss is allocated first to goodwill and recognised in operating result under "Other operating expenses". Impairment losses on goodwill cannot subsequently be reversed.

In preparing its financial statements at 31 December 2020, the Group did not take into account the effects of the entry into force of IFRS 16 in the application of its impairment test methodology, notably in its effects on the assets to be tested, the discount rates and the cash flow projections. Taking IFRS 16 into account would not have had any impact on the results of the tests carried out.

For the Group, CGUs generally correspond to a legal entity. However, when entities are operationally merged in terms of commercial offerings, when they share the same management and when their teams are interdependent and interchangeable, they are grouped together in a single CGU. The homogeneous groups of assets formed within the Group are:

- The Scandinavia CGU groups the following companies: Devoteam Consulting AS, Devoteam Globicon AS, Devoteam Fornebu Consulting AS and Smart Flow AS;
- The Belux CGU covers the companies Devoteam Belgium, Devoteam Luxembourg and Devoteam Management Consulting Belux;
- The Devoteam Netherlands CGU covers all Dutch companies as well as the entities of the TMNS group in Serbia and Switzerland;
- The Germany CGU groups all German entities;
- The Spain CGU groups all Spanish entities;
- The Bold CGU groups the companies of the Portuguese group Bold;
- The Jayway CGU groups the companies of the Jayway group present in Sweden, Denmark and the United States;
- The France CGU groups all the French entities;
- The Avalon CGU groups the companies of the Avalon group present in Sweden, Denmark, the United Kingdom, the United States, Singapore, Norway and Indonesia;
- The Tunisia CGU covers the two Tunisian companies;
- The Fourcast CGU brings together the Fourcast Group companies in Belgium, the United Kingdom and the Netherlands;
- The Inviso CGU comprises the two Danish companies Inviso Aps and Inviso Software by Devoteam Aps.

### **3.3 Intangible and tangible assets**

#### **3.3.1 Intangible assets**

Intangible assets other than goodwill consist mainly of software acquired by the Group, recognised at purchase cost (external and internal) less accumulated amortisation and any loss of value, as well as business relationships, backlogs and technology capitalised pursuant to the acquisition method (IFRS 3 and IFRS 3R), measured at fair value at the acquisition date.

Intangible assets are amortised on a straight-line basis over their expected useful life, usually between three and five years for software and business relationships. The backlog is generally amortised over the first year of consolidation within the Group, as regards orders covering less than 12 months.

#### **3.3.2 Tangible assets**

Tangible assets are initially recognised at cost, which corresponds to the purchase price plus costs directly attributable to bringing the asset to its place of operation and the purchase of the asset. It is not subject to value adjustments. Subsequently, tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the item will flow to the entity, and when the cost can be measured reliably. All other expenses are expensed as incurred.

Depreciation is calculated using the straight-line method taking as a basis the estimated useful lives of the assets, determined as follows:

Asset category	Duration
Buildings	15 years
Fixtures and fittings	10 years
Transportation equipment	2 to 4 years
Office equipment	5 years
IT equipment	3 to 5 years
Office furniture	3 to 10 years

### 3.4 Investment properties

Investment properties are initially recognised at cost, which corresponds to the purchase price plus transaction costs.

After initial recognition, investment properties are measured at fair value, reflecting market conditions as of the reporting date. Gains or losses resulting from changes in the fair value of investment property are recognised in the income statement in "Other operating income and expenses" in the period when they occur. As they are measured at fair value, investment properties are not subject to impairment.

Exceptionally, after initial recognition, if it is not possible to determine the fair value of an investment property in a reliable and constant manner, the property in question is measured using the cost model described in IAS 16 "Property, plant and equipment" until its exit. This scenario may occur when there are no or only a small number of comparable transactions in the investment property market, making the asset in question illiquid.

### 3.5 Non-current financial assets

Non-current financial assets mainly consist of guarantees related to premises rented by the Group for the purposes of its operations, as well as medium-term advances to non-consolidated subsidiaries. Upon initial recognition, these assets are measured at fair value, and subsequently at amortised cost.

### 3.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity instruments and debt securities, trade receivables and other receivables, cash and cash equivalents, loans, borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value plus, for instruments not at fair value through profit or loss, directly attributable transaction costs.

#### 3.6.1 Trade and other receivables, trade and other payables

These items are initially recognised at fair value, and subsequently at amortised cost. The fair value of trade receivables and payables is deemed to be their face value given the short payment terms.

Credit risk is assessed periodically, at each reporting date, on the basis of a case-by-case review of receivables; in an event leading to impairment loss (default or significantly overdue payment by a debtor), impairment is determined by comparing future cash flows, discounted at the appropriate historical rates, with the carrying amount. Impairment is recognised in the income statement; if a subsequent event later reduces the loss of value, the impairment is reversed through profit or loss.

The new prospective impairment model based on expected credit losses, introduced by IFRS 9, has had no impact on the level of impairment of trade receivables calculated using the methodology described above.

#### 3.6.2 Other current financial assets

This item essentially contains the reserve fund related to the contract governing the assignment of trade receivables.



### 3.6.3 Cash management assets

This item mainly contains investments at fair value through profit or loss, i.e. investments either held for trading or designated as such upon initial recognition. Financial assets are designated as being held at fair value through profit or loss if the Group manages such investments and makes buying and selling decisions based on their fair value. On initial recognition, directly attributable transaction costs are expensed as incurred. Financial assets at fair value through profit or loss are measured at fair value, and any resulting change is recognised in financial income or expense.

### 3.6.4 Cash and cash equivalents

Cash and cash equivalents include demand deposits and short-term investments (three months maximum at origin), highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Such items, classified as current assets, are measured at fair value through profit or loss. Fair value represents the net asset value at the closing date. The effect of changes in fair value is recorded in financial income or expense.

Bank overdrafts repayable on demand, and which form part of the Group's cash management, are a component of cash and cash equivalents for the purposes of the statement of cash flows.

### 3.6.5 Loans and borrowings

Borrowings mainly include:

- debts resulting from the issue of unlisted bonds, whose characteristics are described in Note 5.14;
- draw-downs from confirmed short-term credit lines of the revolving credit facility type. Draws on such facilities are subject to covenants and compliance with classic financial ratios for loans of this type.

### 3.6.6 Other non-current liabilities

Other non-current liabilities mainly include liabilities arising from commitments to buy out non-controlling interests, as well as residual earn-outs related to business combinations.

## 3.7 Derivative financial instruments

The Group may use financial instruments to hedge its exposure to fluctuations in interest or exchange rates. Its hedging instruments are traded with front-ranking banking counterparties. Derivative financial instruments are initially measured at fair value. With the exception of derivative instruments designated for accounting purposes as hedging instruments in a fair-value or cash-flow hedging transaction, changes in the fair value of derivative instruments, estimated based on market prices or values given by bank counterparties, are recognised through the income statement.

## 3.8 Capital

### Ordinary shares

Ordinary shares are classified as equity instruments. Incidental costs directly attributable to the issuance of ordinary shares or equity options are recognised as a deduction from equity, net of tax.

### Treasury shares

All treasury shares held by the Group are deducted from equity at their acquisition cost. Any gains (or losses) on the disposal of treasury shares directly increase (or decrease) equity net of tax. As such, any gains (or losses) on disposals do not affect net profit for the year.

## 3.9 Share-based payments

Stock options, free shares and performance shares are granted to certain employees of the Group. In accordance with IFRS 2 "Share-based payments", options are measured at fair value as of their grant date. The Group typically uses the Black-Scholes, Hull & White or Monte Carlo models, depending on the characteristics of the plan in question.

The resulting amount is recorded between operating margin and current operating profit, on a straight-line basis between the grant date and the end of the vesting period, with a corresponding increase in equity.

The amount recognised as an expense is adjusted to reflect the number of rights for which it is considered that off-market conditions of service and performance will be met, so that the amount ultimately expensed is based on the actual number of rights fulfilling off-market conditions of service and performance as of the vesting date. For share-based payment entitlements carrying other conditions, the fair value at the grant date reflects such conditions, and differences between the estimate and the actual amount do not result in any subsequent adjustment.

### 3.10 Employee benefits

#### 3.10.1 Pension plans with defined contributions and benefits

Upon their retirement, Group employees receive, in addition to pension payments under local legislation, pension supplements and/or retirement bonuses. The Group offers these benefits through defined-contribution or defined-benefit plans.

Under defined-contribution plans, the Group has no obligations other than the payment of premiums; the expense corresponding to premiums paid is reflected in the income statement.

In accordance with IAS 19 "Employee benefits", the Group's net obligation under defined-benefit plans is measured separately for each plan by estimating the amount of future benefits earned by employees in exchange for services rendered during the current period and previous periods. Pension and similar obligations are measured using the actuarial projected unit credit method. Under this method, each period of service gives rise to the recognition of an additional unit of benefit entitlement, and each unit is measured separately to obtain the final obligation.

This final obligation is then discounted and subjected to a probability analysis and mainly includes:

- a retirement date assumption;
- a discount rate equal to the yield of blue chip bonds with a maturity profile similar to that of the Group's commitments at the closing date;
- an inflation rate;
- assumptions relating to salary increases, mortality and staff turnover rates.

Measurements of this nature are carried out annually, except when changes in assumptions require projections to be performed more frequently.

Actuarial gains and losses are generated by changes in assumptions or adjustments for experience (difference between projected and actual) on commitments or on the plan's financial assets. Adjustments of this nature are recognised directly in equity.

The Group determines the net interest expense (income) for the period of the net liability (asset) in respect of defined-benefit plans by applying the discount rate used at the start of the year to assess the obligations in respect of net defined-benefit liabilities (assets) determined at the beginning of the year. The calculation then takes into account any change in the net defined-benefit liability (asset) resulting from the payment of contributions and benefits payment during the period. As a result, net interest on the net defined-benefit liability (asset) now comprises the following:

- financial cost on the obligation in respect of defined-benefit plans;
- financial income generated by plan assets;
- interest on the effect of the asset ceiling.

#### 3.10.2 Employment contract termination benefits

Employment contract termination benefits are recognised as expenses when the Group is demonstrably committed, without the realistic possibility of withdrawing from its commitment, to a formal and detailed plan, either for layoffs before the normal retirement or offers encouraging voluntary departures in order to downsize. If full payment of compensation is not expected in the 12 months following the closing date, such obligations are discounted.

### 3.11 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision must be recognised when the company has a present obligation (legal or constructive) resulting from a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when the amount of the obligation can be reliably estimated. If these conditions are not met, no provision is required.

In the case of restructuring expenses, an obligation is only recognised when the restructuring has been the subject of a detailed plan and an expectation on the part of the people affected (the plan is announced or its implementation has begun). Provisions are not set aside to cover future operating expenses.

The estimate of the amount recorded under provisions is the expense the Group is likely to incur to fulfil the obligation. If no reliable estimate of this amount can be obtained, no provision is recorded; in this case a note is provided. Because of the uncertainties inherent to the risks borne, provisions are estimated on the basis of information available as of the valuation date. Provisions are discounted when the effect of the time value of money is significant.

In a business combination, the acquirer recognises a contingent liability assumed at the acquisition date if it is a present obligation of the acquiree resulting from past events and whose fair value can be measured reliably. This is the case even if these current obligations were not recognised in the liabilities of the acquiree prior to the takeover, in accordance with IAS 37 “Provisions, contingent liabilities and contingent assets”, because the outflow of resources was not deemed likely. After initial recognition and until its settlement, cancellation or expiry, a contingent liability is the greater of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised.

### 3.12 Revenue recognition

Revenue is calculated based on the compensation specified in a contract signed with a client and recognised upon the transfer of control of the good or service, i.e. either on a given date or continuously, in accordance with the IFRS 15 standard.

#### Subcontracting services

Subcontracting services are resource-based contracts invoiced according to time spent. Subcontracting revenue and expenses are recognised as and when the service is performed, assuming the client benefits immediately from the services provided by the Group. Services performed but not yet invoiced are recorded as contract assets (unbilled work). Services invoiced but not yet performed are recorded as contract liabilities (deferred income).

#### Fixed-price services

Fixed-price services are contracts based on deliverables and billing milestones according to which the Group undertakes to transfer to the client a series of goods or services based on a fixed price which may be adjusted according to the different criteria of each contract. Fixed-price contracts are generally recognised using the percentage of completion method as either the Group’s service improves an asset over which the client obtains control as and when the service is performed, or the Group manufactures specifically for the client an asset with no alternative use and therefore has an irrevocable right to payment for the service provided to date in the event that the contract is terminated by the client. The stage of completion is determined by comparing the costs incurred at closing with the total expected costs over the term of the contract. The total costs of a contract, in particular those still to be incurred, are regularly monitored and estimated to determine whether the stage of completion of the contract and the level of margin to be recognised need to be revised. When it is probable that total contract costs will exceed total contract revenue, the expected loss is expensed immediately. The Group contractually acquires the right to invoice at contractual milestones or upon acceptance by the client of work carried out. If the difference between the cumulative revenue and invoices is positive, this is presented in contract assets. If it is negative, it is presented in contract liabilities.

#### Resale activity

Within the context of its integration projects, the Group may resell equipment, licenses and other services acquired from third-party suppliers. In these cases, and when the asset or service is distinct from other services provided by the Group, analysis is required to determine whether the Group is acting as agent or principal in the transaction. The Group acts as principal if it has control of the goods or services prior to their transfer to the client. In this situation, the transaction is recorded on a gross basis in the income statement at the time of the transfer of control to the client. On the other hand, the Group acts as agent and the transaction is recorded on a net basis (the amount invoiced by the supplier is deducted from the revenue invoiced to the client) when the Group fulfils its performance obligation as agent.

More specifically, the Group applies the following principles as part of its resale activity of perpetual licenses or licenses in SaaS mode:

- in the case of a sale of third-party perpetual publisher licenses representing a separate performance obligation, the Group decided that it obtains control of the license prior to its transfer to the client, since it was not authorised to make changes to that license, and noted that in the majority of cases, the license was transferred directly by the publisher to the client. In this case, the Group acts as agent and only recognises the sales margin in revenue. Conversely, if the license is an integral part of a complex integration solution overseen by the Group, the Group considers that it acts as principal for the entire project, including the license;
- in the case of the sale of a subscription to a software platform in “Cloud or SaaS” mode, as an integral part of an overall solution in which, for the term of the contract, the Group is responsible for operational performance on the customer’s behalf, the Group considers that it acts as principal for the entire solution. Otherwise, the Group acts as agent in the resale of access rights to the platform.

#### Rental income from investment property or subletting income

Rental income from investment properties or income from partial subletting of buildings occupied by the Group are recognised on a straight-line basis over the term of the lease or sublease. This revenue is recorded as a reduction of the costs relating to the buildings concerned.

#### Breakdown of revenue

The Group is structured by geographical areas and reports its revenue according to this axis for analysis of segment information. Revenue is mainly derived from consultancy and integration services broken down into seven major domains (Cybersecurity, Digital Workplace, Agile IT, Transformation Management, Customer Experience, Business Process Excellence and Data as a Service). Each of these domains is deployed in every region in which the Group operates. Currently, the Group monitors its volume of business by domain at the level of commercial commitment but does not yet have an accounting breakdown of this distribution.

The majority of revenue is generated through subcontracting or fixed-price contracts, including sometimes the sale of licenses or access rights.

### **3.13 Usage rights relative to lease contracts**

The Group evaluates on the date of entry into force of a contract if this contract is a lease contract or contains a lease contract. This evaluation is based on the right to control the use of an identified asset for a certain duration in exchange for compensation. On the date of provision of the asset, the Group recognises a usage right as an asset and a lease liability.

The usage right is initially evaluated at cost including the initial amount of the lease obligation and any direct initial costs. It is amortised over the duration adopted for the calculation of lease liabilities.

The lease liability is initially evaluated at the discounted value of future rents over the estimated duration of the lease contract at the lessee's incremental borrowing rate. These rates are determined by currency, maturity and geographical zone of the various entities of the Group from the Group's incremental borrowing rate corrected for a theoretical margin corresponding to the financing profile of each entity. The term of the lease corresponds to the non-cancellable period plus, where applicable, options for renewal that the Group is reasonably likely to exercise. This period is nine years for French contracts pertaining to property assets.

The lease liability is then calculated at amortised cost according to the effective interest rate method. It is re-evaluated in case of changes to future rents following a change of index or rate, or a re-estimate of the amount to be paid or an extension.

Exceptionally, the Group applies the exemption measures specified by the standard on lease contracts covering assets for which the unitary value is less than \$5,000 and/or lease contracts having a duration less than or equal to 12 months. Furthermore, the Group has not taken the option to apply the standard to leases pertaining to intangible assets.

With regard to its activities, the leases in question relate mainly to property leases and the fleet of company vehicles used as part of the Group's operating activities.

### **3.14 Subsidies and grants**

As part of its regular operating management, and in the various countries where it operates, the Group is liable to sign agreements with governments or public bodies enabling it to obtain support in the form of public funding.

In accordance with IAS 20, subsidies and grants are recognised when there is reasonable assurance that the entity will comply with the conditions attached to them and that the funds will be received. When these conditions are met, subsidies and grants are recognised in the income statement net of the expenses to which they are linked.

Moreover, certain tax incentives, mainly the French research tax credit (CIR) share certain of the characteristics of public subsidies insofar as the amount is receivable even in the absence of a tax payment, is not used in determining taxable income and is not confined to the tax liability. When these conditions are met, subsidies and grants are accounted for in accordance with IAS 20 and presented to the income statement net of the expenses to which they are linked. In the Group's case, such expenses are mainly personnel costs.

### **3.15 Definition of current operating profit and operating margin**

Operating margin, the chief indicator of the Group's business performance, is current operating profit (as defined below) before the impact of share-based compensation and the amortisation of assets recognised as part of business combinations, including business relationships acquired in business combinations.

The current operating profit reflects activities undertaken by the Company in the normal course of its business, as well as any related activities that are incidental to or consistent with normal activities.

Current operating profit is net income before taking into account:

- other operating income and expenses, as defined below;
- financial income or expense;
- current and deferred taxes;
- net income from equity associates;
- income from discontinued operations.

### **3.16 Other operating income and expenses**

Other operating income and expenses reflect unusual, abnormal and infrequent events or transactions of a material nature in relation to the consolidated performance, as advocated by ANC Recommendation No. 2013-03 of 7 November 2013.

Other income and expense mainly includes:

- restructuring and/or downsizing expenses or provisions related to business combinations occurring between the acquisition date and the end of the financial year following the acquisition;
- restructuring expenses, other than those referred to above, relating to plans approved by the Group's management bodies and having been disclosed to the relevant third parties;
- severance payments paid to the Group's top management, namely managers in charge of an operational entity (legal entity or independent entity in terms of management and reporting within it) or of a cross-cutting function;
- gains or losses on the sale of securities of subsidiaries;
- gains or losses on disposal of tangible and intangible assets, and impairment of non-financial assets;
- profits on a bargain purchase as part of a business combination;
- acquisition costs incurred as part of a business combination;
- the revaluation at fair value of any non-controlling interests following the acquisition of the companies in question;
- the revaluation at fair value of investment property;
- the revaluation at fair value of assets held for sale under IFRS 5.

### **3.17 Financial income and expenses**

Financial income notably includes interest on investments, gains on disposal of available-for-sale financial assets, increases in the value of financial assets at fair value through profit or loss, foreign exchange gains and profits on hedging instruments recognised in profit or loss. Interest income is recognised in profit or loss as earned, using the effective interest rate method.

Financial expense comprises interest payable on borrowings and finance leases, the reversal of provisions, the effect of accretion and/or changes in assumptions in relation to earn-outs payable on business combinations, foreign exchange losses, decreases in the fair value of financial assets through profit or loss, and losses on hedging instruments recognised in profit or loss. All expenses related to loans and leases are recognised in profit or loss using the effective interest rate method.

Financial income and expense also includes net interest determined under defined-benefit plans (see Note 3.10.1).

### **3.18 Income taxes**

The tax expense included in the determination of income for the year is equal to the total amount of tax payable plus deferred tax. The tax expense is generally recognised in the income statement, with the exception of the portion of tax relating to items recognised in equity or other comprehensive income.

Current tax is the amount of income tax payable in respect of taxable profit for the year. It is calculated based on tax rates enacted or substantively enacted as of the reporting date, and is adjusted for adjustments to tax due for prior years.

The Group recognises its deferred taxes using the liability method, which is an approach based on the balance sheet. This means that deferred tax assets and liabilities reflect reductions or increases in future tax liabilities resulting from temporary differences between the carrying amount and the tax basis of assets and liabilities (excluding specific cases covered by IAS 12), as well as tax losses and credits carried forward. Deferred tax assets and liabilities are measured by tax entity or tax group on the basis of tax rates applicable to the years in which any temporary differences are liable to be repaid or settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and if the Group intends to settle current assets and tax liabilities based their net amount or to realise the assets and settle the tax liabilities simultaneously.

Deferred tax assets for deductible temporary differences and tax losses are recognised only insofar as the Group expects to generate future taxable income against which temporary differences and related tax losses can be offset. The Group estimates its future profits over a three-year timeframe. Deferred tax assets are reassessed at each reporting date. They are cancelled if their realisation is no longer probable.

Tax loss and tax credit carryforwards resulting from a business combination are recognised in profit or loss unless they are estimated during the evaluation period, on the basis of information existing as of the acquisition date.

Following the introduction of the territorial economic contribution (contribution économique territoriale – CET) applicable to French companies under the 2010 Budget, the Group opted to classify the contribution component of the corporate value-added contribution (cotisation sur la valeur ajoutée des entreprises – CVAE) of the CET as income tax under IAS 12 as of 31 December 2009. The Group considers that the CVAE satisfies the characteristics of income tax, as its calculation is based on a net amount of income and expenses, and its net amount is potentially different from net income, insofar as value added is the intermediate level of income systematically used, under French tax rules, to determine the amount due in respect of the CVAE.

### 3.19 Operating segments

Under IFRS 8, operating segments must be based on internal reporting regularly reviewed by the chief operating decision maker. This decision maker is in charge of the allocation of resources and the evaluation of the operating segments' performance, and has been identified as being the members of the Management Board who take strategic decisions within the Executive Committee.

The Group is structured by geographical region in accordance with various criteria ensuring consistency of the various regions:

- revenue in the region: each region is the sum of countries that generate a certain volume of revenue;
- a natural central point for the region (e.g. a "large" country and a number of "smaller" countries) or an appropriate split between entities (a number of "small" countries);
- geographical, linguistic and cultural proximity between countries of the same region;
- synergy between offers: capturing growth opportunities by developing synergy between offers (e.g. by extending an offer from one country to another country within the same region).

The regions thus created are as follows:

- The "**France**" region, which includes the French entities, as well as service centres in Morocco and Spain;
- The "**Northern Europe & Benelux**" region consolidates the British entities, the Scandinavian countries, Luxembourg, Belgium, the Netherlands and the entities of the Avalon group and the activities of the Jayway group in the United States;
- The "**Central Europe**" region is composed of Germany, Austria, the Czech Republic, Slovakia and Switzerland;
- The "**Iberia & Latam**" region includes entities located in Spain, Portugal and Latin America (Panama and Mexico);
- The "**Rest of the world**" region is composed of the Middle East, Italy, Morocco (excluding the services centres), Tunisia and Turkey;
- The "**Corporate & Other**" sector covers head office activities that cannot be directly allocated to operational regions, and residual elements of discontinued operations (mainly outsourcing);
- The "**Divested entities**" sector in 2020 included the divested activities of Catalix and the disposal of the minority stake in Energy Dynamics in France. In 2019, this segment included the activities disposed of in Portugal (Precise Lda, EHC Lda and NauOn SA), the disposal of the minority holding in Inflexsys and the deconsolidation of the entity Devoteam Poland.

The definition of the "geographical splits" in 2019 and 2020 is presented below for the entire scope.

Entity	Country	31 Dec 2020	31 Dec 2019	Entity	Country	31 Dec 2020	31 Dec 2019
Devoteam SA	France	France	France	New Business Intelligence Company S.L.	Spain	Iberia & Latam	Iberia & Latam
Devoteam Management Consulting FR	France	France	France	Jayway Inc	United States	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Outsourcing	France	Corporate & Other	Corporate & Other	Avalon Solutions Inc	United States	Northern Europe & Benelux	Northern Europe & Benelux
Exaprobe ECS MEE	France	Corporate & Other	Corporate & Other	Devoteam Cloud Services	Indonesia	Northern Europe & Benelux	Non-applicable
S'Team Management	France	France	France	Vox Pilot	Ireland	Corporate & Other	Corporate & Other
RVR Parad	France	France	France	Devoteam Italy	Italy	Rest of the world	Rest of the world
Devoteam Network Expertise	France	France	France	Devoteam Luxembourg	Luxembourg	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam G Cloud	France	France	France	Devoteam Consulting Holding	Luxembourg	Corporate & Other	Corporate & Other
Be Team	France	France	France	Devoteam Communication SARL	Luxembourg	Corporate & Other	Corporate & Other
Devoteam G Maps	France	France	France	Devoteam Morocco	Morocco	Rest of the world	Rest of the world
Axance	France	France	France	Devoteam Services Morocco	Morocco	France	Rest of the world
Devoteam Business Service Excellence	France	France	France	Devoteam Consulting Morocco	Morocco	Corporate & Other	Corporate & Other
Axance Technology	France	France	France	Devoteam Mexico	Mexico	Iberia & Latam	Iberia & Latam
myG	France	France	France	Devomex Cloud Services	Mexico	Iberia & Latam	Iberia & Latam
Technologies & Operations	France	France	France	Devoteam Fornebu Consulting AS	Norway	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Customer Effectiveness	France	France	France	Devoteam Smart Flow AS	Norway	Northern Europe & Benelux	Northern Europe & Benelux
Fi-Makers	France	France	France	Avalon Solutions AS (NO)	Norway	Northern Europe & Benelux	Northern Europe & Benelux
Myfowo.com	France	Corporate & Other	Corporate & Other	Studio Vues	Norway	Northern Europe & Benelux	Northern Europe & Benelux
Energy Dynamics	France	Divested entities	Corporate & Other	Devoteam Cloudify	Norway	Northern Europe & Benelux	Northern Europe & Benelux
D2SI	France	France	France	Drago Solutions Corp.	Panama	Iberia & Latam	Iberia & Latam
Devoteam NexDigital	France	France	France	Devoteam Netherlands	Netherlands	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Modern Applications	France	France	France	Between Staffing Group B.V	Netherlands	Corporate & Other	Corporate & Other
MEL SAS	France	Corporate & Other	Corporate & Other	Fourcast Netherlands BV	Netherlands	Northern Europe & Benelux	Non-applicable
Catalix	France	Divested entities	France	Avalon Solutions Sp Zoo	Poland	Northern Europe & Benelux	Northern Europe & Benelux
Slag Management	France	Corporate & Other	Non-applicable	Bold International SA	Portugal	Iberia & Latam	Iberia & Latam
Ysance	France	France	Non-applicable	Bold Wealth Lda	Portugal	Iberia & Latam	Iberia & Latam
Devoteam Germany	Germany	Central Europe	Central Europe	DiamondbyBold Lda	Portugal	Iberia & Latam	Iberia & Latam
Siticom GmbH MEE	Germany	Corporate & Other	Corporate & Other	Neos Lda	Portugal	Iberia & Latam	Iberia & Latam
Q-Partners Consulting & Management	Germany	Central Europe	Central Europe	OutFit	Portugal	Iberia & Latam	Iberia & Latam
TMNS Germany	Germany	Northern Europe & Benelux	Northern Europe & Benelux	TechSensys Lda	Portugal	Iberia & Latam	Iberia & Latam
Alegri International Service GmbH	Germany	Central Europe	Central Europe	Devoteam Czech Rep.	Czech Republic	Central Europe	Central Europe
Alegri Personal Service GmbH	Germany	Central Europe	Central Europe	Devoteam UK	United Kingdom	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Consulting Austria	Austria	Central Europe	Central Europe	TMNS UK	United Kingdom	Northern Europe & Benelux	Northern Europe & Benelux
Alegri International Austria GmbH	Austria	Central Europe	Central Europe	Avalon Solutions Ltd	United Kingdom	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Belgium	Belgium	Northern Europe & Benelux	Northern Europe & Benelux	Devoteam Management Consulting UK	United Kingdom	Northern Europe & Benelux	Northern Europe & Benelux
DFSJ	Belgium	Corporate & Other	Corporate & Other	Fourcast Cloud Services Ltd	United Kingdom	Northern Europe & Benelux	Non-applicable
Devoteam Management Consulting BE	Belgium	Northern Europe & Benelux	Northern Europe & Benelux	Media-tel LLC	Russia	Corporate & Other	Corporate & Other
Paradigmo SA/NV	Belgium	Northern Europe & Benelux	Northern Europe & Benelux	TMNS Serbia	Serbia	Northern Europe & Benelux	Northern Europe & Benelux
Fourcast Group NV	Belgium	Northern Europe & Benelux	Non-applicable	Avalon Solutions PTE	Singapore	Northern Europe & Benelux	Northern Europe & Benelux
Fourcast BV	Belgium	Northern Europe & Benelux	Non-applicable	Devoteam Slovakia	Slovakia	Central Europe	Central Europe
Devoteam Denmark	Denmark	Northern Europe & Benelux	Northern Europe & Benelux	Jayway Malmö AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Globicon AS	Denmark	Northern Europe & Benelux	Northern Europe & Benelux	Jayway Halmstad AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Jayway ApS	Denmark	Northern Europe & Benelux	Northern Europe & Benelux	Jayway Stockholm	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Avalon Solutions AS (DK)	Denmark	Northern Europe & Benelux	Northern Europe & Benelux	Jayway Services AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Inviso ApS	Denmark	Northern Europe & Benelux	Non-applicable	Jayway Holding AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux



Alteryx Denmark ApS	Denmark	Northern Europe & Benelux	Non-applicable	Øredev AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Middle East	United Arab Emirates	Rest of the world	Rest of the world	Sädesmagasinet Förvaltnings AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Devoteam Spain	Spain	Iberia & Latam	Iberia & Latam	Avalon Solutions AB	Sweden	Northern Europe & Benelux	Northern Europe & Benelux
Keivox	Spain	Corporate & Other	Corporate & Other	TMNS Switzerland	Switzerland	Central Europe	Central Europe
Desarrollo de procesos de implantación S.L.	Spain	Iberia & Latam	Iberia & Latam	Alegri AG	Switzerland	Central Europe	Central Europe
Drago Solution SAU	Spain	Iberia & Latam	Iberia & Latam	Devoteam Tunisia	Tunisia	Rest of the world	Rest of the world
Softoro Development Center SAU	Spain	Iberia & Latam	Iberia & Latam	Devoteam Technology Consulting TN	Tunisia	Rest of the world	Rest of the world
Devoteam Cloud Services ES	Spain	Iberia & Latam	Iberia & Latam	Devoteam Turkey	Turkey	Rest of the world	Rest of the world

The comparative segment information in respect of 2019 has been restated to match the new structure of the operating segments.

The key performance indicators set out below are used by the Group in its internal reporting and are identical to those applied at the 2019 reporting date, namely:

- first, operating margin is defined as current operating profit before the impact of share-based compensation and the amortisation of business relationships acquired in business combinations;
- second, the group contribution is defined as the total revenue (internal and external) of an operating segment less the cost of internal subcontracting acquired from other Group entities. This indicator reflects the segment's contribution to consolidated revenue from its own resources. The sum of group contributions of the operating segments is the Group's consolidated revenue.

### 3.20 Earnings per share

In accordance with IAS 33 "Earnings per share", earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the financial year. The average number of shares outstanding is calculated based on the various changes in share capital adjusted for treasury shares.

Diluted earnings per share is the ratio between net income (attributable to equity holders of the parent company) and the diluted weighted average number of shares outstanding during the period, adjusted by the number of treasury shares, taking into account the dilutive effect generated by stock options and founders' warrants.

### 3.21 Non-current assets held for sale

Non-current assets whose sale is approved during the period are shown on a separate line of the balance sheet, since the sale is considered highly probable and must be made within 12 months.

Non-current assets (or groups of assets and liabilities held for sale) whose carrying amount will be recovered chiefly by means of a sale transaction rather than through continuing use are classified as assets held for sale.

Immediately before classification as being held for sale, the assets (or components of a group of assets held for sale) are measured using the Group's accounting policies. Subsequently, the assets (or groups of assets held for sale) are recorded at the lesser of their carrying amount and fair value less costs to sell.

Any impairment loss in respect of a group of assets held for sale is initially allocated to goodwill and other assets in proportion to their carrying amount, with the exception of inventories, financial assets, deferred tax assets, assets generated by employee benefits and investment properties, which continue to be measured using the accounting principles applicable to them. Impairment losses resulting from the classification of an asset (or group of assets and liabilities held for sale) as being held for sale and gains and losses on subsequent measurements are recognised in profit or loss. The gain recognised cannot exceed accumulated impairment losses.

As a result of their classification as non-current assets held for sale, tangible or intangible assets cease to be amortised or depreciated.

## Note 4 – Scope of consolidation

### 4.1 Scope of consolidation

The 2020 consolidated financial statements include the financial statements of Devoteam SA and the financial statements of companies controlled directly or indirectly by the Group, as well as companies over which the Group has significant influence.

The main companies included in the scope of consolidation of the Devoteam Group as of 31 December 2020 are set out below.



Companies (SIREN)	Share of capital held as a % (1)		Consolidation method	
	2020	2019	2020	2019
<b>FRANCE</b>				
Devoteam SA	Parent company	Parent company	Parent company	Parent company
Devoteam Consulting	80.20%	80.20%	FC	FC
Devoteam Outsourcing	100%	100%	FC	FC
Exaprobe ECS	35.00%	35.00%	EM	EM
S Team Management	100%	100%	FC	FC
RVR Parad	95.00%	95.00%	FC	FC
Siticom	95.16% <sup>(1)</sup>	88.77%	FC	FC
Devoteam G Cloud	100%	100%	FC	FC
Be Team	69.72% <sup>(2)</sup>	69.42%	FC	FC
Devoteam G Maps (formerly Progis)	94.22% <sup>(3)</sup>	83.71%	FC	FC
Axance (formerly Axance People)	76.49% <sup>(2)</sup>	75.83%	FC	FC
DBSE	94.4% <sup>(2)</sup>	93.64%	FC	FC
Axance Technology (formerly DDF)	76.49% <sup>(2)</sup>	75.83%	FC	FC
My-G	100%	100%	FC	FC
Technologies & Opérations	85.85% <sup>(4)</sup>	81.89%	FC	FC
Devoteam Customer Effectiveness	69.22% <sup>(2)</sup>	68.79%	FC	FC
Fi-Makers	85.54% <sup>(5)</sup>	82.59%	FC	FC
Myfowo.com	99.73%	99.73%	FC	FC
Energy Dynamics	0% <sup>(6)</sup>	34.97%	NC	EM
D2SI	82.06%	82.06%	FC	FC
Devoteam NexDigital	81% <sup>(2)</sup>	80.41%	FC	FC
Devoteam Modern Applications	63.19% <sup>(7)</sup>	64.74%	FC	FC
MEL	78.99% <sup>(8)</sup>	76.16%	FC	FC
Catalix	0% <sup>(9)</sup>	38.86%	NC	FC
Slag Management	75% <sup>(10)</sup>	0.00%	FC	NC
Ysance	100% <sup>(11)</sup>	0.00%	FC	NC
<b>GERMANY</b>				
Devoteam Germany	100%	100%	FC	FC
Siticom GmbH	35.00%	35.00%	EM	EM
DVT S Team	100%	100%	FC	FC
Devoteam Alegri GmbH	100%	100%	FC	FC
Alegri Personal Service GmbH	100%	100%	FC	FC
<b>AUSTRIA</b>				
Devoteam Consulting Austria	100%	100%	FC	FC
Alegri International Austria GmbH	100%	100%	FC	FC
<b>BENELUX</b>				
Devoteam NV/SA	99,71%	99,71%	FC	FC
DFSJ	48.95% <sup>(2)</sup>	48.81%	EM	EM
Devoteam Management Consulting BE	71.85% <sup>(2)</sup>	71.42%	FC	FC
Paradigmo SA/NV	0% <sup>(12)</sup>	99,71%	NC	FC
Devoteam Luxembourg SA	100%	100%	FC	FC
Devoteam Consulting Holding	100%	100%	FC	FC
Devoteam Communication	100%	100%	FC	FC
Devoteam Netherlands BV	80.00%	80.00%	FC	FC
TMNS Netherlands	80.00%	80.00%	FC	FC
Between Staffing Group	0% <sup>(13)</sup>	32.38%	NC	EM
Fourcast Group NV	70% <sup>(14)</sup>	0.00%	FC	NC
Fourcast Group BV	70% <sup>(14)</sup>	0.00%	FC	NC
Fourcast Netherlands BV	63% <sup>(14)</sup>	0.00%	FC	NC
<b>UNITED ARAB EMIRATES</b>				
Devoteam Middle East FZ LLC	76.00%	76.00%	FC	FC
<b>SPAIN</b>				
Devoteam Spain SAU	100%	100%	FC	FC
Keivox	35,01%	35,01%	EM	EM
Desarrollo de procesos de implantacion S.L.	100% <sup>(15)</sup>	88.04%	FC	FC
Drago Solution SAU	100% <sup>(15)</sup>	88.04%	FC	FC
Softoro Development Center SAU	100% <sup>(15)</sup>	88.04%	FC	FC
Devoteam Cloud Services	88.08% <sup>(2)</sup>	87.80%	FC	FC
New Business Intelligence Company S.L.	100% <sup>(15)</sup>	88.04%	FC	FC
<b>UNITED STATES</b>				
Jayway Inc	75.01%	75.01%	FC	FC
Devoteam Cloud Services US (formerly Avalon Solutions Inc)	87.50%	87.50%	FC	FC
<b>IRELAND</b>				
Voxpilot Limited	100%	100%	FC	FC

FC: Full consolidation; EM: Equity method; NC: Not consolidated

Companies (SIREN)	Share of capital held as a % (1)		Consolidation method	
	2020	2019	2020	2019
<b>INDONESIA</b>				
Devoteam Cloud Services ID	100% <sup>(16)</sup>	0.00%	FC	NC
<b>ITALY</b>				
Devoteam Italy SRL	20.00%	20.00%	FC	FC
<b>MOROCCO</b>				
Devoteam Maroc SARL	51.00%	51.00%	FC	FC
Devoteam Services Maroc SARL	100%	100%	FC	FC
Devoteam Consulting Morocco	75.00%	75.00%	FC	FC
<b>MEXICO</b>				
Devoteam Mexico	99.00%	99.00%	FC	FC
Devomex Cloud Services	98.00%	98.00%	FC	FC
<b>PANAMA</b>				
Drago Solutions Corp. PANAMA	100% <sup>(15)</sup>	88.04%	FC	FC
<b>POLAND</b>				
Avalon Solutions Sp Zoo	87.50%	87.50%	FC	NC
<b>PORTUGAL</b>				
Bold International SA	61% <sup>(17)</sup>	58.00%	FC	FC
Bold Wealth Lda	61% <sup>(18)</sup>	58.00%	FC	FC
DiamondbyBold Lda	39.65% <sup>(18)</sup>	37.70%	FC	FC
OutFit	56% <sup>(18)</sup>	53.66%	FC	EM
TechSensys Lda	61% <sup>(18)</sup>	58.00%	FC	EM
<b>CZECH REPUBLIC</b>				
Devoteam SRO	90% <sup>(19)</sup>	75.00%	FC	FC
<b>UNITED KINGDOM</b>				
Devoteam UK Limited	95.60%	95.60%	FC	FC
TMNS Digitisation Solutions Limited	95.60%	95.60%	FC	FC
Devoteam Cloud Services Ltd (formerly Avalon Solutions)	87.50%	87.50%	FC	FC
Devoteam Management Consulting Ltd	71.09% <sup>(20)</sup>	64,74%	FC	FC
Fourcast Cloud Services Ltd	75% <sup>(14)</sup>	0.00%	FC	NC
<b>RUSSIA</b>				
Media-tel LLC	40.4% <sup>(2)</sup>	40.12%	EM	EM
<b>SCANDINAVIA</b>				
DVT Management Consulting DK	90.00%	90.00%	FC	FC
DVT Technology Consulting DK	90.00%	90.00%	FC	FC
Jayway ApS	75.01%	75.01%	FC	FC
Devoteam Cloud Services (Denmark)	87.50%	87.50%	FC	NC
Jayway Malmö AB	75.01%	75.01%	FC	FC
Jayway Halmstad AB	0% <sup>(21)</sup>	75.01%	NC	FC
Jayway Stockholm	0% <sup>(21)</sup>	75.01%	NC	FC
Jayway Services AB	0% <sup>(21)</sup>	75.01%	NC	FC
Jayway Holding AB	75.01%	75.01%	FC	FC
Øredev AB	75.01%	75.01%	FC	FC
Sädesmagasinet Förvaltnings AB	75.01%	75.01%	FC	FC
Devoteam Cloud Services SE (formerly Avalon Solutions AB)	87.50%	87.50%	FC	FC
Fornebu Consulting AS	100%	100%	FC	FC
DVT Smart Flow AS	100% <sup>(22)</sup>	86.42%	FC	FC
Devoteam Cloud Services NO (formerly Avalon Solutions AS Norway)	87.50%	87.50%	FC	FC
Inviso by DVT	70% <sup>(23)</sup>	0.00%	FC	NC
Inviso software by DVT	70% <sup>(23)</sup>	0.00%	FC	NC
Studio Vues AS	69.96% <sup>(24)</sup>	79.28%	FC	FC
DVT Cloudify AS	69.96% <sup>(2)</sup>	69.28%	FC	FC
<b>SERBIA</b>				
TMNS Serbia DOO	80.00%	80.00%	FC	FC
<b>SINGAPORE</b>				
Avalon Solutions PTE	87.50%	87.50%	FC	FC
<b>SLOVAKIA</b>				
Devoteam Slovakia	90% <sup>(19)</sup>	75.00%	FC	FC
<b>SWITZERLAND</b>				
Devoteam Switzerland	90% <sup>(25)</sup>	100%	FC	FC
Alegri AG	100%	100%	FC	FC
<b>TUNISIA</b>				
Devoteam Tunisia	75.00%	75.00%	FC	FC
Devoteam Technology Consulting	75.00%	75.00%	FC	FC
<b>TURKEY</b>				
Devoteam Information Technology and Consultancy AS (formerly Secura)	100%	100%	FC	FC

- (1) Increase in shareholding following the acquisition of Slag Management, the holding company of Siticom. The Group's equity interest is now 95.16%.
- (2) Increase in shareholding due to the accretion of MEL's share capital.
- (3) Additional acquisition of 10% of DVT G Maps and additional increase linked to the increase in the share capital of MEL. The Group's stake now stands at 94.22%.
- (4) Additional acquisition of 3.53% of the share capital of Technologies & Opérations and additional increase linked to the accretion of the capital of MEL. The Group's stake now stands at 85.85%.
- (5) Additional acquisition of 3% of the share capital of Fi-Makers via MEL. The shareholding now stands at 85.54%.
- (6) Disposal of the non-controlling interest in Energy Dynamics.
- (7) Sale of 5% of the share capital of Devoteam Modern Applications via MEL. The Group's equity interest is now 63.19%.
- (8) Increase in shareholding due to capital accretion. The Group's equity interest is now 78.99%.
- (9) Disposal of Catalix.
- (10) Acquisition of 75% of the share capital of Slag Management, the holding company of Siticom.
- (11) Acquisition of 100% of the share capital of Ysance.
- (12) Merger of Paradigmo into Devoteam NV/SA.
- (13) Disposal of the minority stake in Between Staffing Group.
- (14) The Group acquired 70% of the share capital of Fourcast Group NV, the parent company of the Fourcast group.
- (15) Additional acquisition of 11.96% of the share capital of DPI, the parent company of the Drago group. The Group's equity interest is now 100%.
- (16) Creation of Devoteam Cloud Services ID, a subsidiary of the Avalon group.
- (17) Additional acquisition of 3% of the share capital of Bold. The Group's equity interest is now 61%.
- (18) Additional acquisition of 3% of the share capital of Bold Wealth Lda, holding company of the Bold group. The Group's equity interest is now 61%.
- (19) Additional acquisition of 15% of the share capital of Devoteam SRO, parent company of Devoteam Slovakia.
- (20) Additional acquisition of 5% of the share capital of Devoteam Management Consulting UK via MEL. The Group's equity interest is now 71.09%.
- (21) Merger of Jayway Halmstad AB, Jayway Stockholm and Jayway Services AB into Jayway Malmö AB.
- (22) Additional acquisition of 13.58% of the share capital of Smart Flow AS. The Group's equity interest is now 100%.
- (23) Acquisition of 70% stakes in Inviso by DVT and in Inviso Software by DVT.
- (24) Sale of 10% of the share capital of Studio Views AS via Fornebu Consulting AS; increase linked to the accretion of MEL's share capital. The Group's equity interest is now 69.96%.
- (25) Internal sale from Devoteam SA to Devoteam SRO. The Group's equity interest is now 90%.

## 4.2 Movements during the year

### 4.2.1 Acquisitions

The Group made the following acquisitions in the course of the 2020 financial year:

- On 10 July 2020, the Group acquired 70% of Inviso, a Danish business intelligence and data analytics specialist, Tableau's "Gold Partner" and Alteryx's "Premier Partner". The company has approximately 60 employees and generated revenue of approximately €7 million in its last financial year (estimated after application of IFRS 15). It has been fully consolidated since 1 July 2020.
- On 4 August 2020, the Group acquired 70% of Fourcast, a Belgian specialist in the integration of Google Cloud solutions present in Belgium, Holland and the United Kingdom. The company has approximately 25 employees and generated revenue of approximately €3.5 million in its last financial year (estimated after application of IFRS 15). This group has been fully consolidated since 1 August 2020.
- On 23 December 2020, the Group acquired 100% of the French company Ysance, a French data specialist and partner of the leading publishers of business intelligence solutions. The company has approximately 70 employees and generated revenue of approximately €5.5 million in its last financial year. It was fully consolidated for the first time on 31 December 2020.

#### Net assets of the acquired companies

<i>In thousands of euros</i>	FOURCAST	INVISO	YSANCE	Other
Fixed Assets	2,110	378	46	-
Trade and other receivables	2,874	4,388	2,957	-
Cash and cash equivalents	1,361	427	1,089	-
Current and non-current provisions	-	-	-	-
Trade and other payables	(4,491)	(5,642)	(3,911)	(37)
<b>Net assets and liabilities</b>	<b>1,854</b>	<b>(448)</b>	<b>181</b>	<b>(37)</b>

#### Goodwill

Goodwill arising from acquisitions was calculated as follows:

<i>In thousands of euros</i>	FOURCAST	INVISO	YSANCE	Other
Consideration transferred as part of the takeover	7,467	8,586	6,000	291
Of which contingent consideration	1,028	571	-	-
Non-controlling interest measured as a share of the net identifiable assets recorded	556	(135)	-	(4)
Less fair value of net identifiable assets	(1,854)	448	(181)	37
<b>Goodwill/Badwill (-)</b>	<b>6,169</b>	<b>8,899</b>	<b>5,819</b>	<b>323</b>

The expenses related to these acquisitions amounted to €151 thousand and are recorded in "Other current operating expenses".

The nature of the Group's business results in the recognition of significant goodwill. In a business combination, the Group primarily acquires human capital.

#### Acquisition accounting and evaluation period

The allocation of the acquisition prices of the companies Fourcast, Inviso and Ysance acquired in 2020 is being analysed and will be finalised in 2021.

#### Comparable basis information

The impact on the 2020 financial statements of entries into the scope of consolidation (acquisitions and purchases of interests) conducted in 2020 is presented below:

<i>In thousands of euros</i>	Transactions in 2020	Transactions in 2019*
Revenue	6,088	8,415
Current operating profit	1,399	245
Net income	1,133	(2,472)
Total assets	23,204	11,000
Changes in WCR	714	739

\* Concerns the acquisitions of the Avalon group as well as MEL, Catalix, Outfit and Techsensys during 2019. The data for PowerData, acquired in 2019 and merged with Devoteam Drago in 2020, is no longer available in isolation and is therefore excluded.

#### 4.2.2 Disposals and losses of control

On 3 November 2020, the Group sold its minority stake in Between Staffing Group BV. It was deconsolidated on 30 September 2021. The sale price is €16.2 million, including a loan repayable over two years for €4.8 million. This disposal generated a capital gain of €14.7 million, recorded under "Other operating income".

The Group also sold its investments in Catalix and Energy Dynamics in France during the year 2020 without significant impact on the financial statements.

#### Summary impact of disposals and losses of control

<i>In thousands of euros</i>	Total
Fixed Assets	(669)
Trade and other receivables	(28)
Cash and cash equivalents	(88)
Current and non-current provisions	-
Trade and other payables	31
<b>Net assets and liabilities</b>	<b>(396)</b>
Consideration received in cash	11,331
Reimbursement of borrowings	-
Cash and cash equivalents	(88)
<b>Inflow net of cash and cash equivalents</b>	<b>11,244</b>

### Note 5 – Information on the consolidated statement of financial position

#### 5.1 Goodwill

<i>In thousands of euros</i>	31 December 2019	Acquisitions/ Impairment	Other	Disposals	Foreign currency translation differences	31 December 2020
Goodwill	151,974	21,187	(2,238)	(63)	246	171,106
Impairment losses	(15,411)	(9,019)	-	-	48	(24,382)
<b>Net goodwill</b>	<b>136,564</b>	<b>12,168</b>	<b>(2,238)</b>	<b>(63)</b>	<b>294</b>	<b>146,725</b>

Net goodwill increased by €10,161 thousand in 2020. The change is attributable primarily to:

- The increase in goodwill for €21,187 thousand, related to the takeover of Fourcast based in Belgium for €6,169 thousand (Fourcast CGU), Inviso based in Denmark for €8,899 thousand (Inviso CGU) and Ysance in France for €5,819 thousand (France CGU), as well as the acquisition of Binima in Spain for €323 thousand (Spain CGU);
- The decrease in goodwill of the France CGU following the exit of Catalix for €63 thousand;
- The correction to the goodwill of the Spain CGU for -€2,238 thousand;
- The recognition of the impairment loss of the Germany CGU for €7,369 thousand and of the Avalon CGU for €1,650 thousand. These impairment losses are justified by lower than expected growth and profitability prospects;
- Currency effects for €294 thousand, mainly on the Avalon CGU.

#### Acquisition price allocation:

In finalising the prices of the acquisitions of subsidiaries made in 2018 and 2019, the Group recognised intangible assets related to commercial relationships and existing backlog for €3,460 thousand, mainly relating to the entities of the Jayway, Bold and Avalon groups:

In the year ended 31 December 2019, movements were as follows:

In thousands of euros	31 December 2018	Acquisitions/ Impairment	Other	Disposals	Foreign currency translation differences	31 December 2019
Goodwill	147,830	8,725	(1,853)	(2,542)	(186)	151,974
Impairment losses	(17,944)	-	-	2,542	(9)	(15,411)
<b>Net goodwill</b>	<b>129,886</b>	<b>8,725</b>	<b>(1,853)</b>	<b>-</b>	<b>(194)</b>	<b>136,564</b>

No impairment losses were recognised in the 2019 financial year.

Goodwill, allocated by CGU as of 31 December 2020 and 2019, breaks down as follows:

In thousands of euros	31 December 2020			31 December 2019		
	Goodwill gross	Cumulative impairment losses	Net goodwill	Goodwill gross	Cumulative impairment losses	Net goodwill
Germany CGU	36,848	(11,401)	25,447	36,848	(4,032)	32,816
France CGU	33,776	(1,328)	32,448	28,021	(1,328)	26,693
Scandinavia CGU	23,890	-	23,890	24,041	-	24,041
Devoteam Netherlands CGU	13,916	(1,533)	12,382	13,916	(1,533)	12,382
Inviso CGU	8,913	-	8,913	-	-	-
Jayway CGU	8,767	-	8,767	8,421	-	8,421
Devoteam UK	8,433	(4,923)	3,510	8,502	(4,923)	3,579
Avalon CGU	7,330	(1,650)	5,680	7,041	-	7,041
Belux CGU	6,860	-	6,860	6,860	-	6,860
Spain CGU	6,310	-	6,310	8,225	-	8,225
Fourcast CGU	6,169	-	6,169	-	-	-
Bold CGU	4,846	-	4,846	4,846	-	4,846
Other net goodwill under €2,200 thousand	5,048	(3,546)	1,502	5,255	(3,594)	1,661
<b>Total</b>	<b>171,106</b>	<b>(24,382)</b>	<b>146,725</b>	<b>151,974</b>	<b>(15,411)</b>	<b>136,564</b>

\* Details of the entities of each CGU in Note 3.2.

#### Earn-out clause

On 31 December 2020, the commitment recognised for the earn-out clauses was €3,041 thousand (versus €2,853 thousand at 31 December 2019) and related to New BIC, Paradigmo, Globicon, Fourcast and Inviso. These earn-outs are based on the future performance of the acquired entities.

#### Evaluation of the recoverable amount of the CGUs

The method used for assessing the recoverable amount of the CGU is described in Note 3.2. The key assumptions used in 2020 and 2019 to determine the recoverable amount are described below, broken down on the basis of the geographical areas in which the Group operates:

2020 key assumptions	Discount rate	Long-term growth rate	Normative rate of return <sup>(1)</sup>
France	9.2%	2%	between 3% and 10%
Other European countries	8.9% to 12.3%	2%	between 5% and 10% <sup>(2)</sup>
Middle East	11.7% to 15.2%	2.50%	between 5% and 9%
North Africa	12.5% to 13.3%	2.50%	between 5% and 9%

(1) Long-term operating margin.

(2) Except for New BIC and TMNS Serbia, whose normative rates of return are 20% and 15%, respectively.

2019 key assumptions	Discount rate	Long-term growth rate	Normative rate of return <sup>(1)</sup>
France	7.4%	2%	between 3% and 10%
Other European countries	7.1% to 10.5%	2%	between 5% and 9% <sup>(2)</sup>
Middle East	9.9% to 13.4%	2.50%	between 5% and 9%
North Africa	10.7% to 11.5%	2.50%	between 5% and 9%

(1) Long-term operating margin.

(2) With the exception of New BIC whose normative rate of return is 20%.

The key assumptions were determined as follows:

- discount rate: set by an independent firm on the basis of averages observed over the last ten years as regards the risk premium and over the last five years as regards the beta. The risk-free rate is the average of the last two years of ten-year French government bonds;
- the normative profitability of the CGUs used to calculate the terminal value was determined based on the Group's historical data;
- the long-term growth rate for the calculation of the terminal value is derived from OECD forecasts backed up by the average used by financial analysts in the industry.

On 31 December 2020, the Group did not take into account the effects of the entry into force of IFRS 16 in the application of its impairment test methodology, notably in its effects on the assets to be tested, the discount rates and the cash flow projections. Taking IFRS 16 into account would not have any impact on the results of the tests carried out.

Sensitivity testing was performed on these key assumptions:

- A 0.5-point increase in the discount rate would have had a negative impact of €2,051 thousand on the results;
- A 0.5-point decrease in the perpetual growth rate would have had a negative impact of €1,453 thousand on the results;
- A 0.5-point decrease in the normative rate of return would have had a negative impact of €2,244 thousand on the results.

The projection of future cash flows is based on parameters resulting from the budgetary and forecasting process, extended over a five-year timeframe, using growth and profitability rates deemed reasonable and in line with management expectations.

Sensitivity testing was performed on the parameters underpinning these projections:

- A 1-point decrease in the revenue growth would have had a negative impact of €1,169 thousand on the Group's results;
- A 1-point decrease in the operating margin would have had a negative impact of €1,637 thousand on the Group's results;
- A combination of the two decreases above would have had a negative impact of €2,758 thousand on the Group's results.

Other than the CGUs that were impaired during the period, no CGUs had a recoverable amount close to their carrying amount at the end of the 2020 financial year.

## 5.2 Intangible assets

The main movements recorded in 2020 are as follows:

<i>In thousands of euros</i>	Software and trademarks	Commercial relationships and backlog	Other intangible assets	Total
<b>Gross value</b>				
At 1 January 2020	6,807	5,492	4,182	16,481
Change in scope(1)	37	-	406	443
Acquisitions over the year	612		141	753
Disposals over the year	0		(35)	(35)
Reclassification and scrapping	414	(181)	(608)	(375)
Foreign currency translation differences	0	63	(8)	55
<b>At 31 December 2020</b>	<b>7,870</b>	<b>5,374</b>	<b>4,078</b>	<b>17,322</b>
<b>Accumulated depreciation and impairment losses</b>				
At 1 January 2020	(6,461)	(2,483)	(3,440)	(12,383)
Change in scope	(37)		(118)	-154
Net additions	(288)	(1,156)	(166)	-1,610
Reductions	(0)		35	35
Reclassification and scrapping	16	30	205	251
Foreign currency translation differences	0	(36)	2	-34
<b>At 31 December 2020</b>	<b>(6,769)</b>	<b>(3,646)</b>	<b>(3,481)</b>	<b>(13,895)</b>
<b>Net value at 31 December 2020</b>	<b>1,101</b>	<b>1,729</b>	<b>597</b>	<b>3,427</b>

(1) Mainly corresponds to the consolidation of Inviso and Ysance.

The main movements recorded in 2019 are as follows:

<i>In thousands of euros</i>	Software and trademarks	Commercial relationships and backlog	Other intangible assets	Total
<b>Gross value</b>				
At 1 January 2019	6,884	5,415	3,780	16,079
Change in scope(1)	(286)	3,460	(393)	2,781
Acquisitions over the year	301		541	841
Disposals over the year	-		(92)	(92)
Reclassification and scrapping	(95)	(3,403)	340	(3,159)
Foreign currency translation differences	3	20	6	30
<b>At 31 December 2019</b>	<b>6,807</b>	<b>5,492</b>	<b>4,182</b>	<b>16,481</b>
<b>Accumulated depreciation and impairment losses</b>				
At 1 January 2019	(6,633)	(4,200)	(3,391)	(14,224)
Change in scope	310		394	705
Net additions	(231)	(1,678)	(136)	(2,045)
Reductions	-		37	37
Reclassification and scrapping	96	3,403	(340)	3,159
Foreign currency translation differences	(4)	(8)	(5)	(17)
<b>At 31 December 2019</b>	<b>(6,461)</b>	<b>(2,483)</b>	<b>(3,440)</b>	<b>(12,383)</b>
<b>Net value at 31 December 2019</b>	<b>347</b>	<b>3,009</b>	<b>742</b>	<b>4,098</b>

(1) Corresponds mainly to the entry of the Avalon group in Sweden into the scope and the exit of Devoteam Poland from the scope, as well as the allocation of the acquisition price of the previously-acquired subsidiaries to commercial relationships (see Note 5.1).

### 5.3 Tangible assets

The main movements recorded in 2020 are as follows:

<i>In thousands of euros</i>	Land and buildings	Fixtures and fittings	IT, office equipment and furniture	Other tangible assets	Total
<b>Gross value</b>					
At 1 January 2020	2,131	8,708	23,997	1,339	36,175
Change in scope <sup>(1)</sup>	897	-	167	-	1,064
Acquisitions over the year <sup>(2)</sup>	-	649	2,582	12	3,242
Disposals over the year	(260)	-	(553)	-	(813)
Reclassification and scrapping	-	(263)	(134)	(21)	(417)
Foreign currency translation differences	(27)	(73)	(140)	(21)	(261)
<b>At 31 December 2020</b>	<b>2,741</b>	<b>9,021</b>	<b>25,918</b>	<b>1,309</b>	<b>38,990</b>
<b>Accumulated depreciation and impairment losses</b>					
At 1 January 2020	(918)	(6,246)	(16,583)	(862)	(24,610)
Change in scope	(168)	-	(95)	-	(262)
Net additions	(484)	(904)	(3,265)	(147)	(4,800)
Reductions	78	-	504	-	582
Reclassification and scrapping	251	365	229	10	855
Foreign currency translation differences	25	72	115	12	224
<b>At 31 December 2020</b>	<b>(1,216)</b>	<b>(6,713)</b>	<b>(19,096)</b>	<b>(987)</b>	<b>(28,012)</b>
<b>Net value at 31 December 2020</b>	<b>1,525</b>	<b>2,309</b>	<b>6,822</b>	<b>322</b>	<b>10,978</b>

(1) Mainly corresponds to the consolidation of Fourcast and Ysance.

(2) Mainly corresponds to improvements to business premises and IT equipment upgrades for the Group's operational needs.

The main movements recorded in 2019 are as follows:

<i>In thousands of euros</i>	Land and buildings	Fixtures and fittings	IT, office equipment and furniture	Other tangible assets	Total
<b>Gross value</b>					
At 1 January 2019	1,934	7,709	20,713	1,422	31,778
Change in scope <sup>(1)</sup>	-	(176)	33	(32)	(176)
Acquisitions over the year <sup>(2)</sup>	221	1,235	4,247	214	5,917
Disposals over the year	(25)	(1)	(969)	(157)	(1,152)
Reclassification and scrapping	(4)	(72)	(90)	(112)	(278)
Foreign currency translation differences	6	13	63	3	85
<b>At 31 December 2019</b>	<b>2,131</b>	<b>8,708</b>	<b>23,997</b>	<b>1,339</b>	<b>36,175</b>
<b>Accumulated depreciation and impairment losses</b>					
At 1 January 2019	(722)	(5,870)	(14,486)	(1,017)	(22,094)
Change in scope	-	176	(22)	38	192
Net additions	(462)	(845)	(3,066)	(150)	(4,523)
Reductions	24	1	946	136	1,107
Reclassification and scrapping	247	307	97	134	784
Foreign currency translation differences	(5)	(16)	(52)	(2)	(75)
<b>At 31 December 2019</b>	<b>(918)</b>	<b>(6,246)</b>	<b>(16,583)</b>	<b>(862)</b>	<b>(24,610)</b>
<b>Net value at 31 December 2019</b>	<b>1,213</b>	<b>2,462</b>	<b>7,413</b>	<b>477</b>	<b>11,565</b>

(1) Corresponds mainly to the entry of the Avalon group in Sweden into the scope and the exit of Devoteam Poland from the scope.

(2) Mainly corresponds to improvements to business premises and IT equipment upgrades for the Group's operational needs.



## 5.4 Right-of-use assets

### Right-of-use assets

In thousands of euros	Land, buildings, fittings	Vehicles	IT equipment and other	Total
<b>Gross value</b>				
At 1 January 2020	43,889	13,213	62	57,164
Foreign currency translation differences	50	4	0	55
Acquisitions/Increases	7,869	5,695	8	13,572
Disposals/Decreases	(667)	(2,096)	-	(2,764)
<b>At 31 December 2020</b>	<b>51,141</b>	<b>16,816</b>	<b>70</b>	<b>68,027</b>
<b>Depreciation, amortisation and impairment</b>				
At 1 January 2020	(8,119)	(4,299)	(11)	(12,430)
Foreign currency translation differences	(22)	1	(0)	(22)
Charges and impairment	(9,682)	(5,024)	(17)	(14,722)
Reversals	509	1,584	-	2,093
<b>At 31 December 2020</b>	<b>(17,315)</b>	<b>(7,737)</b>	<b>(28)</b>	<b>(25,080)</b>
<b>Net values</b>				
At 1 January 2020	35,770	8,913	51	44,733
<b>At 31 December 2020</b>	<b>33,827</b>	<b>9,078</b>	<b>42</b>	<b>42,947</b>

### Lease liabilities

In thousands of euros	Portion due in less than 1 year	Portion due in 1 to 5 years	Portion due in more than 5 years	Total
Operating lease liabilities At 31 December 2020	12,775	28,031	4,418	45,224

## 5.5 Non-current financial assets

In thousands of euros	31 December 2020	31 December 2019
Loans, guarantees and other receivables	5,074	2,943
Other financial assets	2,082	2,920
<b>Total</b>	<b>7,156</b>	<b>5,863</b>

The non-current financial assets mainly comprise guarantee deposits and loans outside the Group. The increase in this item is mainly due to the loan granted to the buyer of Between Staffing Group BV for the long-term portion of €2,428 thousand. Other non-current financial assets consist mainly of cash advances to associates.

## 5.6 Equity-accounted investments

In thousands of euros	31 December 2020	31 December 2019
Investments in associates	2,358	4,975

The change is mainly due to the net income for the period for an amount of €2,321 thousand, dividend distributions for -€3,396 thousand and the sale of Between Staffing Group BV and Energy Dynamics for -€1,811 thousand.

The financial information below relates to the following equity-accounted investments: Keivox (Spain), Siticom GmbH (Germany), DFSJ (Belgium), Between Staffing Group BV (Netherlands), Media-Tel LLC (Russia), Energy Dynamics and Exa ECS (France).

Recorded amounts <i>In thousands of euros</i>	31 December 2020	31 December 2019
Non-current assets	883	8,830
Current assets	14,272	43,916
Non-current liabilities	2,326	2,782
Current liabilities	10,124	44,083
100% of net assets	2,705	5,882
Net assets attributable to equity holders of the parent	1,078	2,104
Goodwill	548	548
Other	731	2,323
Carrying amount of interests in associates	2,358	4,975
Net revenue	94,653	193,467
Profit after tax from continuing operations	7,088	1,772
100% of other comprehensive income	-	-
100% of total comprehensive income	7,088	1,772
Total comprehensive income attributable to equity holders of the parent	2,321	534

### 5.7 Investment property

Assets <i>In thousands of euros</i>	31 December 2020	31 December 2019
Investment property measured at amortised cost	-	457
Investment property measured at fair value	-	-
<b>Total</b>	<b>-</b>	<b>457</b>

Following the discontinuation of the outsourcing activity on the Castres site, the Group reclassified a building complex to “Investment property” in 2015. The reclassification was performed in the net carrying amount, as the Group was not able to reliably determine the fair value of the complex, in large part due to the lack of comparable transactions for similar properties in the area. Thus, the building complex will be carried at amortised cost until its exit. The complex consists of an office building with total floor space of 4,122 square metres and an 894-square-metre data centre. It is depreciated on a straight-line basis over a period of 15 years.

The table below summarises the carrying amounts of the complex:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Gross value	5,955	5,955
Accumulated depreciation	(5,955)	(5,499)
<b>Net carrying amount</b>	<b>-</b>	<b>457</b>

The building complex generated subletting income in the amount of €546 thousand and operating expenses in the amount of €104 thousand.

### 5.8 Other non-current assets and liabilities

Assets <i>In thousands of euros</i>	31 December 2020	31 December 2019
Other	249	183
<b>Total</b>	<b>249</b>	<b>183</b>

Liabilities <i>In thousands of euros</i>	31 December 2020	31 December 2019
Other non-current liabilities	28,231	17,718
Deferred income	1,045	23
<b>Total</b>	<b>29,276</b>	<b>17,741</b>

The other non-current liabilities break down as follows:

- put-option liabilities for €27,297 thousand, of which €1,567 thousand for TMNS, €5,801 thousand for Bold, €9,630 thousand for Jayway, and €10,300 for Fourcast;
- non-current liabilities related to mandatory severance pay in the event of departures of employees in Italy in the amount of €893 thousand.

## 5.9 Other current assets and liabilities

Assets <i>In thousands of euros</i>	31 December 2020	31 December 2019
Trade receivables	188,315	180,459
Contract assets	44,934	57,966
Tax and social security receivables	13,923	11,349
Tax receivables	5,263	5,784
Other receivables	1,671	716
Prepaid expenses	45,786	28,928
<b>Total</b>	<b>299,892</b>	<b>285,203</b>

### Trade receivables and contract assets

The change in trade receivables and contract-related assets for -€5,176 thousand is mainly due, on the one hand, to scope effects for €11,399 thousand, and on the other hand, to a good performance of the recovery of receivables resulting in a significant reduction in the DSO. At 31 December 2020, the Group's days of sales outstanding (DSO) was 46 days, compared with 58 days at 31 December 2019.

### Calculation of days of sales outstanding (DSO)

<i>(amounts in thousands of euros, except for number of days)</i>	31 December 2020	31 December 2019
Trade receivables and contract assets excl. taxes	210,424	214,637
Accounts receivable and contract liabilities	(91,936)	(68,167)
<b>Net client position excl. taxes</b>	<b>118,488</b>	<b>146,470</b>
Q4 2020 revenue excl. taxes	231,976	226,271
<b>DSO (in days) (*)</b>	<b>46</b>	<b>58</b>

\* Management data, impact of factoring & IFRS 15 neutralised.

In the context of the COVID-19 health crisis, no significant customer defaulted during the half-year and the Group does not anticipate a significant increase in its credit risk given the quality of its customer base. In addition, with the exception of a few isolated cases involving insignificant amounts, the Group has not noted any significant extension in its customers' payment times.

### Tax and social security receivables

The change in this item is mainly due to the recognition of receivables related to the exceptional partial activity scheme, particularly in France and Germany.

### Prepaid expenses

The change in this item is explained on the one hand by the effects of the scope of consolidation of €7,173 thousand, and on the other hand by the Group's operational activity.

Liabilities (excluding current provisions, loans and short-term borrowings) <i>In thousands of euros</i>	31 December 2020	31 December 2019
Trade payables	76,232	57,318
Tax and social security liabilities	137,429	128,201
Income tax payable	8,539	5,256
Debt on acquisition of fixed assets	218	-
Other current liabilities	21,289	12,873
Contract liabilities	78,617	58,828
<b>Total</b>	<b>322,324</b>	<b>262,476</b>

#### Trade payables

The change in trade payables is explained on the one hand by the effects of the scope of consolidation of €5,285 thousand, and on the other hand by the Group's operational activity.

#### Tax and social security liabilities

Tax and social security liabilities increased by €9,228 thousand. This was partly attributable to the Group's organic growth (€4,989 thousand) and partly due to changes in the scope (€4,239 thousand).

#### Other current liabilities

Other current liabilities amounted to €21,289 thousand and break down as follows:

- Advance payments from customers and customer credit notes to be prepared for €14,728 thousand (versus €11,179 thousand at the end of 2019), mainly for the French entities (€11,117 thousand) and the Danish entities (€3,178 thousand);
- current liabilities in respect of earn-outs and put options on non-controlling interests in a total amount of €5,858 thousand (compared with €1,210 thousand in 2019) relating to acquisitions;
- dividends payable to non-controlling shareholders for €345 thousand.

#### Contract liabilities

The increase in this item is explained on the one hand by the effects of the scope of consolidation of €9,075 thousand, and on the other hand by the Group's operational activity.

### 5.10 Other current financial assets and net cash

#### Other current financial assets

This item mainly includes a security deposit in the context of the disposal of receivables contract for €1,540 thousand (compared to €1,863 thousand at the end of 2019) and short-term loans and guarantees for €3,137 thousand (compared to €526 thousand at the end of 2019). The change is mainly due to the loan granted to the buyer of Between Staffing Group BV, the short-term portion of which amounted to €2,473 thousand.

#### Net cash

**Cash** in the statement of cash flows consists of cash and cash equivalents (short-term investments and cash), net of bank overdrafts.

**Net cash** includes cash, as defined above, as well as cash management assets (assets presented separately in the statement of financial position due to their characteristics), less short- and long-term financial liabilities. It also takes into account, where appropriate, the impact of hedging instruments as they relate to borrowings and treasury shares. It does not include the lease liabilities recognised pursuant to IFRS 16.

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Short-term investments	10,143	141
Cash at bank	144,488	81,518
Bank overdrafts (liability)	(1,531)	(71)
<b>Cash and cash equivalents</b>	<b>153,099</b>	<b>81,588</b>
<b>Cash management assets<sup>(1)</sup></b>	<b>-</b>	<b>-</b>
Bonds	-	(29,915)
Obligations under finance leases	-	-
Draw-downs on bank and similar facilities and other borrowings	(1,694)	(1,920)
<b>Long-term borrowings</b>	<b>(1,694)</b>	<b>(31,835)</b>
Bonds	(30,416)	(446)
Obligations under finance leases	-	(39)
Draw-downs on bank and similar facilities and other borrowings	(1,185)	(1,317)
<b>Short-term borrowings</b>	<b>(31,601)</b>	<b>(1,801)</b>
<b>Total borrowings<sup>(2)</sup></b>	<b>(33,295)</b>	<b>(33,636)</b>
Derivative instruments	-	-
<b>Net cash</b>	<b>119,804</b>	<b>47,952</b>

(1) Details of borrowings are disclosed in Note 5.14.

Cash held in countries subject to foreign exchange control mechanisms amounts to €4,853 thousand.

The main changes in the Group's cash position are described in Note 7.

## 5.11 Deferred tax assets and liabilities

### Recognised deferred tax

This table describes the various items before offsetting consolidated deferred tax assets and liabilities.

In thousands of euros	31 Dec 2019	Recognised in profit or loss	Foreign currency translation differences	OCI*	Change in scope	Other	31 Dec 2020	31 Dec 2020	
								Assets	Liabilities
Retirement benefits	1,211	60		48		25	1,345	1,347	(2)
Miscellaneous provisions	1,167	567	(4)			(25)	1,705	1,716	(10)
Other temporary differences	1,350	309	(47)		(31)	(4)	1,578	1,931	(352)
Tax loss carryforwards	1,721	(937)	(21)			(151)	612	612	-
Customer relationships	(725)	283	(6)				(448)	-	(448)
Treasury shares	(0)						(0)	-	(0)
Operating leases (IFRS 16)	164	38					202	202	-
Finance leases	(147)	147	0				(0)	-	(0)
Cancellation of goodwill	(339)	6	27				(306)	168	(474)
Other	1,186	432	(29)			488	2,077	2,831	(754)
<b>TOTAL</b>	<b>5,588</b>	<b>904</b>	<b>(79)</b>	<b>48</b>	<b>(31)</b>	<b>334</b>	<b>6,766</b>	<b>8,806</b>	<b>(2,041)</b>

\* Other comprehensive income.

In thousands of euros	31-Dec-18	Recognised in profit or loss	Foreign currency translation differences	OCI*	Change in scope	Other	31 Dec 2019	31 Dec 2019	
								Assets	Liabilities
Retirement benefits	1,134	70		7			1,211	1,211	-
Miscellaneous provisions	1,737	(571)	1				1,167	1,167	-
Other temporary differences	920	149	6		290	(15)	1,350	1,699	(349)
Tax loss carryforwards	1,269	450	1		1		1,721	1,721	-
Customer relationships	(331)	412	2		(808)		(725)	-	(725)
Treasury shares	-	(407)		407			0	-	-
Operating leases (IFRS 16)	-	164					164	164	-
Finance leases	(293)	146					(147)	-	(147)
Cancellation of goodwill	(314)		(24)				(339)	168	(507)
Other	1,249	268	(2)		(313)	(17)	1,186	1,762	(576)
<b>TOTAL</b>	<b>5,370</b>	<b>681</b>	<b>(16)</b>	<b>414</b>	<b>(830)</b>	<b>(32)</b>	<b>5,588</b>	<b>7,892</b>	<b>(2,304)</b>

\* Other comprehensive income.

The Company established a tax consolidation group in France on 1 January 2004. The companies operating within the tax group as of 31 December 2020 are Devoteam SA (parent company), Devoteam G Cloud, Devoteam Outsourcing, RVR Parad, S Team Management and Myfowo.

The Group recognised a deferred tax asset on its tax loss carryforwards of €612 thousand, mainly in Germany for €258 thousand and France for €227 thousand. They represent respectively 27% of the tax deficits available in Germany and 10% in France.

The recoverability of these tax assets is backed up by tax planning covering a period of three years, based on the same growth and profitability assumptions as those used to determine the recoverable amount of the relevant CGU.

The change in deferred taxes during the financial year breaks down as follows:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Profit/(loss)	904	681
Foreign currency translation differences	(79)	(17)
Other comprehensive income	48	7
Changes in scope	(31)	(830)
Other	334	376
<b>Total</b>	<b>1,177</b>	<b>218</b>

Maturity of deferred tax assets before offsetting:

<i>In thousands of euros</i>	31 December 2020			31 December 2019		
	Total	Less than one year	More than 1 year	Total	Less than one year	More than 1 year
Deferred tax assets	8,806	5,027	3,779	7,892	4,259	3,633
Deferred tax liabilities	2,041	657	1,384	2,304	628	1,676
<b>Net deferred tax</b>	<b>6,766</b>	<b>4,370</b>	<b>2,395</b>	<b>5,588</b>	<b>3,631</b>	<b>1,957</b>

#### Unrecognised deferred tax

The Group has tax loss carryforwards in various tax jurisdictions. Deferred tax assets have not been recognised in respect of these tax losses, as there is not sufficient probability that taxable profit will allow their use within a reasonable timeframe.

<i>In thousands of euros</i>	2020	2019
Unrecognised tax loss carryforwards	14,465	8,990

These tax deficits, not recognised at 31 December 2020, mainly concern the Group's French entities for €7,596 thousand, German for €2,308 thousand and Norwegian for €1,468 thousand and can be carried forward indefinitely.

The amounts of other comprehensive income included in the change in deferred taxes during the financial year are explained below:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Tax expense on the remeasurement of liabilities related to defined-benefit plans	48	7

## 5.12 Equity

### 5.12.1 Share capital

At 31 December 2020, the share capital of Devoteam SA amounted to €1,263,015, divided into 8,332,407 ordinary shares. The change in the number of shares is as follows:

<i>Number of shares</i>	2020	2019
Shares outstanding as of 1 January	8,332,407	8,332,407
Exercise of stock options and founders' warrants (BCE)	-	-
Shares outstanding as of 31 December	8,332,407	8,332,407
Par value	€0.15	€0.15

### 5.1.2.2 Treasury shares

Devoteam SA holds treasury shares as described and measured below. All movements relating to these shares are restated in equity. As such, they do not impact the Group's results.

<i>Number of shares</i>	<b>2020</b>	<b>2019</b>
<b>Shares held at 1 January</b>	<b>138,632</b>	<b>274,259</b>
Purchase/sale of shares	-	-
Free share allocation plan of 4 June 2016	-	(129,627)
Exercise of subscription options	-	(6,000)
<b>Shares held at 31 December</b>	<b>138,632</b>	<b>138,632</b>
Of which to cover stock options	94,543	94,543
Other purposes	44,089	44,089
Acquisition price in thousands of euros	1,264	1,264
Valuation at closing price in thousands of euros	12,907	13,101

Treasury shares represented 1.66% of the share capital at 31 December 2020 and at 31 December 2019.

### 5.12.3 Earnings per share (EPS)

	<b>31 December 2020</b>	<b>31 December 2019</b>
Consolidated profit/(loss) Group share (in thousands of euros)	40,829	41,571
Weighted average number of shares	8,193,775	8,169,846
EPS (€)	4.98	5.09
<b>Diluted earnings per share (€)</b>	<b>4.96</b>	<b>5.07</b>

\* Calculation method in Note 3.20.

The weighted average number used in the denominator is 8,193,775 shares for basic earnings per share and 8,230,595 for diluted earnings per share. At 31 December 2020, 38,061 free shares having a dilutive effect were in circulation.

### 5.13 Non-controlling interests

At 31 December 2020, the main non-controlling interests related to the share of non-controlling interests held in Devoteam Middle East, Bold, Axance, Devoteam Netherlands, Devoteam Italy, D2SI, and Technologies & Opérations.

The change in non-controlling interests over the year reflects:

- profits of entities with non-controlling interests;
- distribution of dividends to non-controlling shareholders for -€3,868 thousand;
- buyouts of non-controlling interests and other changes in scope for -€7 thousand.

The following table summarises the information relative to equity investments not giving significant control before intra-group eliminations.

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Non-current assets	67,065	83,470
Current assets	255,529	236,779
Non-current liabilities	(40,569)	(52,191)
Current liabilities	(189,171)	(160,483)
Net assets	92,854	107,575
Reclassification of non-controlling interests	(365)	(6,756)
<b>Carrying amount of non-controlling interests</b>	<b>16,518</b>	<b>15,050</b>
Net revenue	472,601	485,356
Profit for the year	29,902	31,386
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>29,902</b>	<b>31,386</b>
Net income allocated to non-controlling interests	5,598	5,974
Other comprehensive income allocated to non-controlling interests	-	-
Cash flow from operating activities	49,369	25,600
Cash flow from investing activities	514	(4,295)
Cash flow from financing activities	(21,104)	(23,355)
Effect of exchange rate fluctuation on cash held	(1,129)	297
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>27,651</b>	<b>(1,753)</b>

The Group presents aggregate information on non-controlling interests due to the immaterial impact of these interests taken individually, with the largest representing less than 1.5% of the Group's consolidated equity.

#### 5.14 Loans and borrowings

<i>In thousands of euros</i>	31 December 2020	Portion due in less than 1 year	Portion due in 1 to 5 years	Portion due in more than 5 years
Bonds	30,416	30,416	-	-
Loans from credit institutions	2,879	1,185	1,694	-
Finance lease liabilities	-	-	-	-
Bank overdrafts	1,531	1,531	-	-
<b>Total loans and borrowings</b>	<b>34,826</b>	<b>33,132</b>	<b>1,694</b>	<b>-</b>

<i>In thousands of euros</i>	31 December 2019	Portion due in less than 1 year	Portion due in 1 to 5 years	Portion due in more than 5 years
Bonds	30,361	446	29,915	-
Loans from credit institutions	3,236	1,317	1,920	-
Finance lease liabilities	39	39	-	-
Bank overdrafts	71	71	-	-
<b>Total loans and borrowings</b>	<b>33,708</b>	<b>1,873</b>	<b>31,835</b>	<b>-</b>



## Change in loans and borrowings

In thousands of euros	31 December 2020	Change in cash	Change not affecting cash			31 December 2019
			Change in scope	Currency effect	Other movements	
Bonds	29,915	-	-	-	(29,915)	-
Loans from credit institutions	1,921	(108)	(563)	-	(681)	1,695
Finance lease liabilities	-	-	-	-	-	-
<b>Non-current loans and borrowings</b>	<b>31,836</b>	<b>(108)</b>	<b>(563)</b>	<b>-</b>	<b>(30,596)</b>	<b>1,695</b>
Bonds	446	-	-	-	29,970	30,416
Loans from credit institutions	1,319	(890)	83	(8)	681	1,185
Finance lease liabilities	39	(39)	-	-	-	-
Bank overdrafts	71	1,460	-	-	-	1,531
<b>Current loans and borrowings</b>	<b>1,876</b>	<b>531</b>	<b>83</b>	<b>(8)</b>	<b>30,650</b>	<b>33,131</b>
<b>Total loans and borrowings</b>	<b>33,712</b>	<b>423</b>	<b>646</b>	<b>(8)</b>	<b>54</b>	<b>34,827</b>

of which change in borrowings on the cash flow statement (1,037)

of which change in bank overdrafts on the cash flow statement 1,460

## Bonds

As a reminder, on 17 July 2015, Devoteam Group issued an unlisted Euro Private Placement bond in a nominal amount of €30 million bearing interest at a fixed rate of 3.25% per year, for an initial term of six years maturing on 17 July 2021. The bonds were initially subscribed by two investors by virtue of contracts including default covenants, the criteria of which are assessed at the balance sheet date.

The table below presents the ratios set out in the bond contract:

	Required covenant	Date
R1 Ratio (consolidated net debt/consolidated EBITDA)	< 2.5	Until 17/07/2021
R2 Ratio (consolidated net debt/consolidated equity)	< 1	Until 17/07/2021

The features of this bond are as follows:

	17 July 2015 bond
Number of bonds issued	300
Par value/Issue price (€)	100,000
Issue price (€)	100,000
Total amount of the issue in par value, July 2015 (€)	30,000,000
Initial interest rate	3.25%*
Number of bonds redeemed during the financial year	-
Number of bonds still outstanding at 31 December 2020	300
Expected date of redemption	17/07/2021

\* A step-up coupon mechanism is applied if R1 is greater than 1:

- if  $1 > R1 < 2$ : the rate will be 3.5%;

- if  $2 > R1 < 2.5$ : the rate will be 4%.

Taking into account the issue costs, the effective interest rate on this bond is 3.44%.

## Finance lease liabilities

Minimum lease payments under non-cancellable finance leases are as follows:

In thousands of euros	31 December 2020			31 December 2019		
	Minimum payments	Interest	Principal	Minimum payments	Interest	Principal
Portion due in less than 1 year	-	-	-	39	-	39
Portion due in 1 to 5 years	-	-	-	-	-	-
Portion due in more than 5 years	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>39</b>	-	<b>39</b>

The characteristics of the finance lease contracts are:

In thousands of euros	31 December 2020	31 December 2019
Net value of assets under finance leases	-	457
Total value of future minimum payments	-	39
Present value of future minimum payments	-	39

### 5.15 Provisions

The following table sets out changes in provisions and their amounts broken down by category:

In thousands of euros	31 December 2019	Changes in scope	Charges	Reversals		Other changes*	31 December 2020
				Used	Not used		
Provisions – non-current	1,058	-	1,671	(69)	-	1,182	3,842
Provisions – current	7,241	-	5,236	(2,155)	(961)	618	9,979
<b>Total</b>	<b>8,299</b>	-	<b>6,907</b>	<b>(2,224)</b>	<b>(961)</b>	<b>1,799</b>	<b>13,820</b>

\* Mainly the reclassification of a provision for Devoteam Middle East expenses at the start of the period previously presented in social security debts in the amount of €1,981 thousand.

#### Current and non-current provisions (excluding pension commitments)

Current and non-current provisions amounted to €13,820 thousand (versus €8,299 thousand in 2019) and break down as follows:

- restructuring provisions for €1,886 thousand (against €2,285 thousand on 31 December 2019), recognised in Norway for €605 thousand, in France for €543 thousand, in Spain for €387 thousand, in Germany for €199 thousand and in Morocco for €152 thousand. The change over the year was attributable chiefly to:
  - provisions related to restructuring, mainly in Norway for €591 thousand and in Spain for €307 thousand;
  - reversals of provisions for restructuring in France for €716 thousand and in Germany for €593 thousand;
- provisions for employee disputes for €862 thousand (compared to €1,033 thousand at 31 December 2019), mostly recognised in France;
- provisions for liabilities and charges for €11,073 thousand (compared to €4,982 thousand at 31 December 2019). The change recorded over the financial year is mainly due to provisions for additional risks in France and Poland and by the reclassification of provisions in the Middle East (see above).

#### Contingent liabilities

When it acquired Wola Info (now Devoteam Poland) in 2010, Devoteam SA granted a put option on 38.4% of the remaining capital. Wola's actual net position – and the company's overall condition in general – was deliberately concealed by the sellers. Devoteam SA took them to court, refusing to recognise the put option which had been exercised in the meantime.

In May 2018, a Polish court in the first instance ordered Devoteam SA to pay €1.5 million in execution of the put option as well as late payment penalties and legal costs for a total amount of €4.2 million, i.e. approximately three times the principal and already including a 50% reduction of the contractual penalties. Devoteam SA immediately appealed the judgment. In agreement with its counsel, Devoteam SA believed it had a solid case, particularly regarding the disproportionate nature of the penalties for delay compared with the principal amount (favourable decisions by the court of cassation in the past). As the health crisis significantly slowed down the judicial system in Poland, no hearing was held concerning this dispute in 2020.

## 5.16 Provisions for pension commitments

Group employees in certain countries receive retirement benefits paid in a lump sum on retirement. The main countries in this respect are France, Austria and Germany. The corresponding expense is included in the profit for the year, except for actuarial gains and losses, which are recognised in other comprehensive income.

In thousands of euros	31 December 2019	Change in scope	Charges	Reversals		Other changes*	31 December 2020
				Used	Not used		
Provisions for pensions and retirement benefits – non-current portion	4,442	-	500	(219)	(165)	241	4,800

\* Other changes correspond to actuarial differences for €241 thousand.

### Valuation assumptions used

Key assumptions	2020	2019
Discount rate	0.40%	0.60%
Inflation rate	1.50% to 1.75%	1.50% to 1.75%
Average rate of salary increases	0% to 3%	0% to 3%

The retirement age is generally assumed to be 67. Mortality and staff turnover assumptions take into account the economic conditions specific to each Group country or company. The Group takes employers' contributions into account in these calculations. The benchmarks used to determine the discount rates in 2020 are identical to those used in previous years.

### Change in the present value of the obligation

In thousands of euros	At 31 December 2020			At 31 December 2019		
	France	International	Total	France	International	Total
<b>Present value of benefits for services rendered</b>						
<b>At the beginning of the year</b>	<b>3,081</b>	<b>4,027</b>	<b>7,108</b>	<b>3,192</b>	<b>3,387</b>	<b>6,579</b>
Service costs	391	81	471	410	70	480
Interest cost	21	23	44	55	52	107
Benefits paid over the year	(243)	(402)	(645)	(152)	(320)	(472)
Contributions from participants	-	-	-	-	-	-
Actuarial gains (losses) recognised directly in equity	142	166	308	(424)	510	86
Changes in scope	-	-	-	-	-	-
Other changes	-	-	-	-	328	328
<b>At the end of the year</b>	<b>3,392</b>	<b>3,895</b>	<b>7,287</b>	<b>3,081</b>	<b>4,027</b>	<b>7,108</b>
Fair value of plan assets	-	(2,487)	(2,487)	-	(2,666)	(2,666)
Ceiling on plan assets (IAS 19.58b)	-	-	-	-	-	-
<b>Liability recognised in respect of defined benefits</b>	<b>3,392</b>	<b>1,408</b>	<b>4,800</b>	<b>3,081</b>	<b>1,361</b>	<b>4,442</b>

The Group's pension obligations (excluding plan assets) amounted to €7,287 thousand (compared with €7,108 thousand in 2019). This involves the entities in France (€3,392 thousand), Germany (€590 thousand) and Austria (€3,305 thousand).

The cumulative actuarial gains and losses recognised in equity at 31 December 2020 amounted to €1,717 thousand.

### Change in the fair value of plan assets

In thousands of euros	At 31 December 2020			At 31 December 2019		
	France	International	Total	France	International	Total
At the beginning of the year	-	2,666	2,666	-	2,495	2,495
Expected return on plan assets	-	16	16	-	40	40
Contributions	-	71	71	-	78	78
Benefits paid over the year	-	(332)	(332)	-	(304)	(304)
Actuarial difference on plan assets	-	67	67	-	46	46
Changes in scope	-	-	-	-	-	-
Other changes	-	-	-	-	311	311
<b>At the end of the year</b>	<b>-</b>	<b>2,487</b>	<b>2,487</b>	<b>-</b>	<b>2,666</b>	<b>2,666</b>

Plan assets relate mainly to the defined-benefit plans in Germany and Austria. The plans are financed through a fund invested in the general funds of insurance companies, with the capital and a minimum rate of return guaranteed.

### Sensitivity to assumptions (France only)

The projected change in the annual discount rate would not have a significant effect on the amounts recognised in the income statement.

A variation of one percentage point of the annual discount rate would have the following impacts:

In thousands of euros	Increase of one percentage point in the annual discount rate	Decrease of one percentage point in the annual discount rate
Aggregate effect on the service cost and interest cost	(43)	51
Effect on the value of the obligation	(477)	585

The projected change in the retirement age would not have a significant effect on the amounts recognised in the income statement.

A change of one year in the retirement age would have the following impacts:

In thousands of euros	One-year increase in the retirement age	One-year decrease in the retirement age
Aggregate effect on the service cost and interest cost	(21)	21
Effect on the value of the obligation	(173)	179

### Expenses recognised

In thousands of euros	At 31 December 2020			At 31 December 2019		
	France	International	Total	France	International	Total
Cost of services rendered during the year	(391)	(81)	(471)	(410)	(70)	(480)
Interest cost	(21)	(23)	(44)	(55)	(52)	(107)
Expected return on plan assets	-	16	16	-	40	40
Benefits paid over the year	165	-	165	153	-	153
<b>Total</b>	<b>(247)</b>	<b>(88)</b>	<b>(335)</b>	<b>(312)</b>	<b>(82)</b>	<b>(394)</b>

The cost of services rendered by employees during the year and the benefits paid during the year are recognised in personnel expenses in the income statement. Returns on plan assets and interest cost are recognised in financial income.

The estimated contributions in 2021 are as follows:

<i>In thousands of euros</i>	<b>France</b>	<b>International</b>	<b>Total</b>
Cost of services rendered during the year	(424)	(81)	(505)
Interest cost	(15)	(15)	(30)
Expected return on plan assets	-	10	10
Benefits paid over the year	-	208	208
<b>Total</b>	<b>(439)</b>	<b>122</b>	<b>(317)</b>

## **Note 6 – Information on the income statement**

### **6.1 Comparative information**

The impact of the acquisitions made in 2020 on the financial statements is presented in Note 4.2.

Pursuant to AMF Instruction No. 2007-05 dated 2 October 2007, pro-forma financial statements must be prepared if the scope of consolidation varies by more than 25% during the year. As the impact is less than 25%, the Group has no obligation to prepare pro-forma financial statements for the year ended 31 December 2020.

### **6.2 Operating segments**

The description of the operating segments and the changes made to their composition during the year are provided in Note 3.19. Comparative information has been restated to correspond to the new structure of operating segments.

The results and assets of the various operating segments are presented below:

In thousands of euros	France		Northern Europe & Benelux		Iberia & Latam		Central Europe		Rest of the world		Corporate & other		Divested entities		Total Group	
	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated
Group contribution*	341,462	352,104	216,424	204,656	76,262	69,040	69,907	81,611	61,700	56,755	(5,414)	(4,061)	31	1,765	<b>760,371</b>	<b>761 870</b>
Depreciation and amortisation of tangible and intangible assets	(6,134)	(5,735)	(6,837)	(5,487)	(2,110)	(1,828)	(2,834)	(2,884)	(429)	(726)	(1,158)	(1,232)	(0)	(15)	<b>(19,501)</b>	<b>(17,907)</b>
Operating margin*	41,805	46,263	25,056	16,923	7,107	6,530	4,736	4,466	6,154	7,089	(11,148)	(2,455)	(46)	147	<b>73,663</b>	<b>78,963</b>
Operating income	41,373	45,144	24,324	19,205	6,463	6,191	4,575	1,931	6,171	7,018	(10,924)	(6,248)	(46)	150	<b>71,935</b>	<b>73,391</b>

\* See definition in Note 3.19.

Net financial income/(loss)	(3,795)	(3,373)
Income from associates	2,321	534
Income tax expense	(24,062)	(23,006)
<b>Profit for the year</b>	<b>46,399</b>	<b>47,546</b>

In thousands of euros	France		Northern Europe & Benelux		Central Europe		Iberia & Latam		Rest of the world		Corporate & other		Divested entities		Total consolidated assets	
	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated	31 December 2020	31 December 2019 restated
Segment assets*	239,683	185,286	220,209	169,279	59,021	67,812	50,228	47,345	60,499	59,173	51,275	55,134	0	523	<b>680,915</b>	<b>584,552</b>

\* Assets shared by two segments are broken down in proportion to the "Group contribution" generated during the period.

Information by geographical area:

In thousands of euros	France		International		Consolidated total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Revenue with external customers	339,006	353,881	421,366	407,989	760,371	761,870
Non-current assets	32,699	35,901	189,017	179,400	221,716	215,301

The results and assets of the various operating segments are presented below in comparison with the disclosures for 2019.

In thousands of euros	France		Northern Europe & Benelux		Iberia & Latam		Central Europe		Rest of the world		Corporate & other		Divested entities		Total Group	
	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented
Group contribution*	352,104	352,019	204,656	204,656	69,040	69,040	81,611	81,611	56,755	56,833	(4,061)	(4,009)	1,765	1,720	<b>761,870</b>	<b>761,870</b>
Depreciation and amortisation of tangible and intangible assets	(5,735)	(1,988)	(5,487)	(1,201)	(1,828)	(460)	(2,884)	(478)	(726)	(270)	(1,232)	(13,496)	(15)	(13)	<b>(17,907)</b>	<b>(17,907)</b>
Operating margin*	46,263	46,188	16,923	16,923	6,530	6,530	4,466	4,466	7,089	7,116	(2,455)	(2,463)	147	203	<b>78,963</b>	<b>78,963</b>
Operating income	45,144	45,069	19,205	19,205	6,191	6,191	1,931	1,931	7,018	7,045	(6,248)	(6,256)	150	206	<b>73,391</b>	<b>73,391</b>

\* See definition in Note 3.19.

Net financial income/(loss)	(3,373)	(3,373)
Income from associates	534	534
Income tax expense	(23,006)	(23,006)
<b>Profit for the year</b>	<b>47,546</b>	<b>47,546</b>

In thousands of euros	France		Northern Europe & Benelux		Central Europe		Iberia & Latam		Rest of the world		Corporate & other		Divested entities		Total consolidated assets	
	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented	31 December 2019 restated	31 December 2019 presented
Segment assets*	185,286	185,214	169,279	169,279	67,812	67,812	47,345	47,345	59,173	59,453	55,134	55,450	523	0	<b>584,552</b>	<b>584,552</b>

\* Assets shared by two segments are broken down in proportion to the "Group contribution" generated during the period.

### Order backlog

The amount of the transaction price assigned to performance obligations not yet fulfilled at 31 December 2020 is determined by application of the exemptions provided for by the standard. These are performance obligations that form part of a contract of which the original expected duration is less than one year and those completed on the basis of the actual consumption of services giving rise to invoicing (subcontracting contracts).

Revenue not yet recognised assigned to performance obligations not yet fulfilled, as presented below, therefore concerns only fixed-price contracts and sales of subscriptions in SaaS mode not yet transferred to the client. Its value at 31 December 2020 was at least €106,412 thousand.

### Major customers

No customer accounts for more than 5% of the Group's revenue.

## 6.3 Personnel expenses and share-based payments

At 31 December 2020, 38,061 free shares were in circulation and "in the money".

Based on the parameters used in measuring the fair value, the total amount remaining to be amortised in 2021 under allocations within the scope of IFRS 2 amounts to -€120 thousand.

The changes covering all stock option and free share plans are summarised in the table below:

	2020		2019	
	Number of options	Average exercise price	Number of options	Average exercise price
Number of shares available for subscription at beginning of year	43,161	0€	220,300	1.36€
Number of options cancelled during the year	5,100	0€	41,512	1.36€
Number of options exercised during the year	-	-	135,627	0.40€
Number of options issued during the year	-	-	-	-
Number of shares available for subscription at year-end	38,061	0€	43,161	0€

The summary of stock option and free share plans in force in 2020 and 2019 is provided below:

Date of plan	Granted	Number of options outstanding at 31/12/2020	Number of options outstanding at 31/12/2019	Exercise price	Earliest exercise date	Expiry date	Zero coupon rate
04/09/2017	50,000	38,061	43,161	-	01/03/2021	01/03/2021	1%
<b>Total</b>	<b>50,000</b>	<b>38,061</b>	<b>43,161</b>				

### Plan characteristics and calculation assumptions

#### Fair value of shares granted and impact on the financial statements

Depending on the method and calculation parameters used (described above), and on the basis of a staff turnover rotation assumption, the expense recognised under "Share-based payments" in the income statement in the year ended 31 December 2020 was €627 thousand, compared with €950 thousand in 2019. This expense mainly includes the impact of the free share plan.

#### Features of the 2017 free performance share plan

On 4 September 2017, the Management Board, making use of the authorisation given by the Combined General Meeting of 17 June 2016, introduced a new free performance share plan, the main characteristics of which are set out in the table below:

Summary	4 September 2017 plan
Total number of shares that may be granted	50,000
Start of plan	4 September 2017
End of plan (vesting date)	1 March 2021
Exercise price of options	€0.00
Vesting period	42 months
Market performance condition	Yes
Individual performance condition	Yes
Effective presence at the vesting date	Yes
Share price at grant date	€75.75
Fair value	€59.03

The main parameters of the valuation model are described in the table below:



Key valuation parameters	4 September 2017 plan
Model used to determine fair value	Monte Carlo
Share price volatility	37.00%
Risk-free interest rate	(0.447%)
Anticipated dividend yield	1%

Terms relative to the performance condition: the free shares vest in annual increments of 33% if the market performance of the Devoteam share is greater than that of the CAC 40 in the years preceding the vesting date (1 January 2017 to 31 December 2020).

The **detailed personnel expenses** are as follows:

In thousands of euros	2020	2019
Wages and salaries	(382,877)	(378,672)
Social security contributions	(104,609)	(102,939)
Expenses for retirement benefits	(221)	(219)
Employee profit-sharing	(1,942)	(1,760)
<b>Total</b>	<b>(489,649)</b>	<b>(483,590)</b>

The increase in personnel expenses is attributable chiefly to the effect of changes in scope and the Group's organic growth.

#### 6.4 Other purchases and external expenses

In the year ended 31 December 2020, other purchases and external expenses break down as follows:

In thousands of euros	2020	2019
Subcontracting	(110,304)	(112,398)
Lease and rent payments	(8,454)	(8,806)
Business travel and receptions	(10,265)	(19,748)
Other purchases	(31,598)	(30,697)
<b>Total</b>	<b>(160,621)</b>	<b>(171,648)</b>

#### 6.5 Other operating income and expenses

The main components of other operating income and expenses are as follows:

Other operating expenses (in thousands of euros)	2020	2019	Other operating income (in thousands of euros)	2020	2019
Restructuring expenses	(1,946)	(3,822)	Income from the reversal of unused provisions for restructuring	209	-
Net value of fixed assets sold	(136)	(35)	Net value of fixed assets sold	119	47
Net loss on disposals of subsidiaries	(139)	(372)	Net gain on disposal of subsidiaries	14,903	842
Impairment of goodwill	(9,019)	-			
Impairment of other assets	-	-	Gains on acquisitions	-	552
			Revaluation at fair value of previously acquired capital	-	110
Acquisition costs of securities	(151)	(204)			
Other expenses	(3,897)	(311)	Other income	112	248
<b>Total</b>	<b>(15,287)</b>	<b>(4,744)</b>	<b>Total</b>	<b>15,343</b>	<b>1,799</b>

At 31 December 2020, restructuring expenses were mainly related to headcount reduction costs, notably in Norway for €591 thousand, in Germany for €435 thousand and in Spain for €373 thousand.

The net loss on disposals of subsidiaries corresponds to the disposal of Catalix in France for €139 thousand.

The net gain on disposals of subsidiaries corresponds mainly to the disposal of Between Staffing Group BV in the Netherlands for €14,697 thousand and Energy Dynamics in France for €185 thousand.

Impairment losses on goodwill correspond to impairment losses on the Germany CGU for €7,369 thousand and on the Avalon CGU for €1,650 thousand (see Note 5.1).

The other expenses correspond mainly to provisions for litigation for an amount of €2,577 thousand and consulting fees related to the strategic plan and the takeover bid for €1,301 thousand.

## 6.6 Financial income and expenses

At 31 December 2020, the main components of financial income and expenses were as follows:

Financial expenses (in thousands of euros)	2020	2019	Financial income (in thousands of euros)	2020	2019
Negative exchange rate differences	(1,360)	-	Positive exchange rate differences	-	19
Interest on bonds measured at the effective interest rate	(1,030)	(1,028)	Interest on bonds measured at the effective interest rate	-	-
Capital loss on assets valued at fair value through profit or loss	-	-	Capital gains on assets at fair value through profit or loss	-	-
Interest charge on lease contract	(595)	(599)		-	
Discounting of long-term financial liabilities	(560)	(587)		-	-
Provisions on financial assets	-	(102)	Provisions on financial assets	69	116
Other financial expenses	(1,240)	(1,505)	Other financial income	920	312
<b>Total</b>	<b>(4,784)</b>	<b>(3,820)</b>	<b>Total</b>	<b>989</b>	<b>447</b>

The net financial income for the year decreased by €422 thousand compared to 2019, primarily due to:

- the positive impact of financial expenses on credit lines and the factoring contract for €463 thousand (compared to -€656 thousand at 31 December 2019);
- the negative impact of foreign exchange rate differences for -€1,360 thousand at 31 December 2020 (versus €19 thousand at 31 December 2019), related mainly to intra-Group receivables and loans in currencies not hedged by the Group;
- the positive impact of interest income for €892 thousand at 31 December 2020 (compared to €172 thousand at 31 December 2019).

The interest on the bond issued in July 2015 remained stable at €1,028 thousand.

The Group's net borrowing costs break down as follows:

In thousands of euros	2020	2019
Interest expense on financing operations at the effective interest rate	(2,075)	(2,173)
Income and expense from interest rate hedges on financial debt	-	-
<b>Gross borrowing costs</b>	<b>(2,075)</b>	<b>(2,173)</b>
Interest income from cash and cash equivalents	892	172
Capital gains on assets at fair value through profit or loss	-	-
<b>Net borrowing costs</b>	<b>(1,183)</b>	<b>(2,000)</b>

Foreign exchange items recognised in other comprehensive income:

In thousands of euros	2020	2019
Gains on available-for-sale assets	-	-
Translation differences	(867)	145
<b>Total</b>	<b>(867)</b>	<b>145</b>
Recognised in consolidated reserves	-	-
Recognised in translation reserves	(867)	145

## 6.7 Income tax expense

### 6.7.1 Breakdown by type of tax

- Current tax: the income tax expense is equal to the amount of income taxes due to tax authorities for the year, based on the rules and effective tax rates in the various countries.
- Deferred taxes: the deferred tax expense is determined in accordance with the method described in Note 3.18.

The breakdown by type of taxes is as follows:

<i>In thousands of euros</i>	2020	2019
Current tax	(24,967)	(23,687)
Change in deferred taxes	904	681
<b>Total</b>	<b>(24,062)</b>	<b>(23,006)</b>

Deferred tax expense and credits:

<i>In thousands of euros</i>	2020	2019
Retirement benefits	60	71
Miscellaneous provisions	567	(571)
Other temporary differences	309	149
Tax loss carryforwards	(937)	450
Customer relationships	283	412
Lease contracts (IFRS 16)	38	164
Treasury shares	-	(407)
Finance leases	147	146
Cancellation of goodwill	6	-
Other	431	267
<b>Total</b>	<b>904</b>	<b>681</b>

The change in deferred taxes resulted primarily from:

- temporary differences in provisions, especially in France (€564 thousand);
- the negative effect of tax loss carryforwards (-€937 thousand), of which -€858 thousand in Germany, -€86 thousand in Norway, -€75 thousand in Belgium and the additional capitalisation in Spain for €70 thousand;
- the positive impact of client relationships (€283 thousand) spread over France (€59 thousand), Germany (€45 thousand), Sweden (€79 thousand), the Netherlands (€46 thousand) and Portugal (€54 thousand);
- The other movements mainly correspond to:
  - the change in deferred tax on lease contracts following the application of IFRS 16 (€38 thousand) and finance leases (€147 thousand),
  - provisions and other tax deferred items for an amount of €309 thousand, mainly in Norway and Sweden.

## 6.7.2 Reconciliation of total tax expense with theoretical tax expense

The reconciliation between the income tax expense in the income statement and the theoretical tax expense is as follows:

<i>In thousands of euros</i>	2020	2019
<b>Consolidated net income</b>	<b>46,399</b>	<b>47,546</b>
Income tax expense	24,062	23,006
<b>Earnings before tax</b>	<b>70,461</b>	<b>70,551</b>
Tax rate applicable in France	32.023%	34.43%
<b>Theoretical tax</b>	<b>22,564</b>	<b>24,291</b>
Tax loss carryforwards previously unrecognised	(37)	(358)
Use of unrecognised prior tax losses	(205)	(138)
Unrecognised tax losses created over the year and derecognition during the year	1,728	418
Permanent differences and other items(1)	1,075	579
Additional local taxes(2)	3,156	3,147
Tax rate difference between countries and reduced rates(3)	(4,218)	(4,933)
<b>Total tax calculated</b>	<b>24,062</b>	<b>23,006</b>
<b>Tax recorded</b>	<b>24,062</b>	<b>23,006</b>

(1) Mainly concerns the absence of tax on the following elements:

- capital gains on the disposal of equity investments for -€4,473 thousand;
- the impairment on goodwill for +€2,551 thousand;
- the non-deductible expenses for +€2,171 thousand;
- the research tax credit in France for -€489 thousand and other tax credits for -€647 thousand;
- the effect of taxing certain dividends for €593 thousand;
- the impact of companies accounted for under the equity method for -€743 thousand;
- the other non-taxable restatements for an amount of €2,099 thousand.

(2) The additional local taxes consist primarily of the CVAE, included in taxes as explained in Note 3.18, in the amount of €2,960 thousand.

(3) Mainly concerns Denmark for -€857 thousand, the United Arab Emirates for -€466 thousand, Belgium for -€403 thousand, Portugal for -€352 thousand, the Netherlands for -€273 thousand, the Czech Republic for -€237 thousand, Tunisia for -€173 thousand and the United Kingdom for -€169 thousand.

## 6.8 Net income from discontinued operations

None.

## Note 7 – Statement of cash flows

The Group uses the indirect method for the presentation of its statement of cash flows. Bank overdrafts repayable on demand, and which form part of the Group's cash management process, are a component of cash and cash equivalents for the purposes of the statement of cash flows.

The main changes in the Group's cash over the year are described below.

### 7.1 Cash flow from operating activities

#### Operating cash flows

The operating cash flow, before the variation in working capital requirement and tax paid, decreased by 3.2% as it went from €93.5 million on 31 December 2019 to €90.5 million on 31 December 2020. This decrease, amounting to €3.0 million, is mainly due to a slight decrease in operating profit.

#### Change in net working capital (WCR)

The change in working capital requirement improved sharply to +€39.3 million compared to -€2.5 million in 2019 thanks to better management of days of sales outstanding (DSO), which stood at 46 days as of 31 December 2020 compared to 58 days a year earlier.

#### Taxes paid

Tax paid increased slightly to €20.2 million compared to €18.6 million in 2019.

## 7.2 Cash flow from investing activities

### Acquisitions and disposals of fixed assets

This item corresponds to the operational investments made by the Group mainly in the acquisition of IT equipment. They are down sharply due to the COVID-19 health crisis.

### Acquisition of financial assets

This item mainly represents movements in bank term deposits with initial maturity of more than three months and loans to entities not fully consolidated by the Group.

### Dividends received

This item mainly corresponds to dividends paid by Between Staffing Group BV.

### Proceed from sale of financial assets

This item corresponds mainly to the receipt of the sale price of the minority stake held by the Group in Between Staffing Group BV (see Note 4.2).

### Acquisition of subsidiaries, net of cash acquired

This item mainly corresponds to the disbursements related to the acquisitions less the available cash of the companies Fourcast in Belgium, Inviso in Denmark and Ysance in France (see Note 4.2) for €19.6 million. It also includes the payment of price supplements or deferred prices for prior acquisitions for €1.1 million.

## 7.3 Cash flow from financing activities

### Repayment of lease liabilities

The repayment of lease liabilities related to the usage rights for the rented assets (IFRS 16) stood at €14.6 million.

### Change in factored receivables (net of security deposit)

During the financial year, the Group increased its end-of-period exposure for an amount of €0.1 million.

### Acquisition of non-controlling interests

The disbursement of €6.5 million corresponds to the buyout of non-controlling interests in the Group.

### Interests paid

The interest paid stood at €2.5 million and mainly consisted of interest related to the bond disbursed annually at maturity, commissions related to the factoring contract and interest on lease liabilities following the application of the IFRS 16 standard.

### Dividends paid

The amount of dividends paid amounted to €3.8 million and relates solely to the payment to minority shareholders.

## 7.4 Effect of exchange rate fluctuations on cash

The impact of changes in foreign exchanges rates on cash or cash equivalents held in foreign currencies is as follows:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Middle East	(929)	123
United Kingdom	(80)	70
Tunisia	(86)	68
Norway	(237)	58
Switzerland	(1)	13
Sweden	141	(23)
Mexico	(66)	21
Poland	(40)	24
Turkey	(160)	(47)
Other	(35)	13
<b>Total</b>	<b>(1,493)</b>	<b>320</b>

## Note 8 – Information on financial risk management

### 8.1 Financial risk management policy

The Group is exposed to credit, liquidity and market risk due to its use of financial instruments. This note discloses information about the Group's exposure to these risks and the way in which the Group monitors and manages such risks.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to fulfil its obligations. The main sources of credit risk identified by the Group are trade receivables and investments of surplus cash.

#### Trade receivables

The Group's exposure to credit risk reflects above all the individual characteristics of the various customers with which the Group trades. The Group's customer portfolio consists mainly of international key accounts with significant financial resources. No major customer represents more than 5% of the Group's annual revenue, and the top five clients together account for approximately 17.5% of consolidated revenue, meaning that concentration risk is extremely limited. The Finance Departments of the various Group entities manage customer credit risk directly. The Group's Finance Department nevertheless performs regular reviews of trade receivables due when examining the monthly results. Every significant delay in payment is monitored, and an action plan is initiated if necessary. Credit studies are performed when new business relationships are formed, taking into account the size of the new customer.

The Group assesses its credit risk at each closing date. This assessment is based on an individual analysis of each receivable at risk of non-recovery, and a provision is recorded in the amount of the best estimate of the probable loss that will be incurred by the Group. In addition, following the entry into force of IFRS 9, the Group ensures that the expected credit losses on trade receivables remain insignificant.

Due to the quality of its customer portfolio, the Group has not seen a significant increase in its arrears, despite the COVID-19 crisis.

#### Investments of surplus cash

The Group limits its exposure to credit risk by limiting its investments to bank deposits with a capital guarantee and regular money market funds issued by leading banking counterparties, as well as capitalisation contracts with a capital guarantee issued by leading insurers. The liquidity of these investments was not in question at 31 December 2020.

Given the quality of the counterparties, the Group does not expect any of its counterparties to fail to fulfil its obligations.

#### Sureties and guarantees given

The Group only stands as guarantor for its subsidiaries. However, in the normal course of business, the Group may be required to provide guarantees in favour of its business partners (mainly customers and suppliers), either directly or through banks. The main sureties and guarantees given are described in note 9.3.

### Liquidity risk

Liquidity risk is the risk of the Group failing to meet its financial obligations. The Group's approach to managing this risk is to ensure that it at all times has sufficient funds to meet its liabilities as they fall due.

The Finance Department has established a prospective cash flow monitoring system (monthly and annual) for each Group operating entity, which gives it sufficient visibility to manage its liquidity risk.

The Group has conducted a specific review of its liquidity risk, and considers itself able to meet its future payments. At the closing date, the Group did not represent a liquidity risk, since its cash net of bank overdrafts, including cash management assets, amounted to €153.1 million, exceeding its €33.3 million in financial liabilities.

In addition, the Group has senior confirmed revolving credit facilities (RCFs) with leading banking counterparties in the amount of €105 million for a period of five years, expiring between March and June 2024.

Draws on such facilities are subject to covenants and compliance with classic financial ratios for loans of this type.

	Required covenant	Achieved
G Ratio (net debt/equity)	< 1	(0.33)
L Ratio (net debt/EBITDA)	< 3 to < 2.5	(0.79)

At year-end, the Group had not drawn down any sums on these credit facilities, and the covenants had all been met.

Lastly, the factoring agreement established in 2013 was still in effect at the closing date. The maximum authorised drawdown line is €45 million, of which €12.9 million was used at 31 December 2020.

### **Market risk**

Market risk is the risk of market price change in certain parameters, such as foreign exchange rates, interest rates and share prices, potentially impacting the Group's results and equity.

### **Currency risk**

The Group's business is mainly conducted in the euro area (74.6% of revenue in 2020). Bearing that in mind, the individual markets of each of the Group's entities are predominantly local, which means that revenue and expenses are for the most part denominated in the same currency. The Group is therefore not exposed to significant currency risk, and does not use currency hedging instruments.

The main currencies other than the euro (EUR) are the Danish krone (DKK), Norwegian krone (NOK), UAE dirham (AED) and pound sterling (GBP), each representing between 2.4% and 6.2% of consolidated sales.

Loans and borrowings are almost exclusively denominated in euros, and as such do not present any currency risk.

As regards other assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure remains insignificant, and conducts foreign exchange purchases/sales at the spot price as necessary to cover its commitments.

### **Interest rate risk**

Interest rate risk is managed by the Group's Finance Department in connection with its main bank counterparties. The Group's policy is to hedge against an increase in its future repayments. To this end, it is liable to use financial derivative instruments contracted with leading banks. At 31 December 2020, most of the Group's financial debt was at fixed rates, and no hedging instruments were in place.

### Risk on own shares

The Group holds 1.66% of its own shares. The main purpose of these shares is to finance external growth and to cover incentives offered to employees in the form of stock options, founders' warrants, warrants to acquire existing redeemable shares, and free performance share allocations. The Group's results are not sensitive to changes in the share price, since such variations are charged against equity. Decisions to buy or sell treasury shares are made by the Management Board on a case-by-case basis.

## Capital management

### Employee shareholders

Devoteam has consistently sought to promote employee shareholdings, notably through stock option plans and employer contributions to the Devoteam company savings plan. At 31 December 2020, employees, former employees and directors of subsidiaries held 2.67% of the share capital (i.e. 222,807 shares).

### Share buybacks

The Group has established a share buyback programme that enables it to:

- hold and subsequently use these shares to pay for acquisitions;
- grant shares to employees and directors under the terms and conditions provided by law.



## 8.2 Significance of financial instruments on the Group's performance

### 8.2.1 Presentation of financial instruments by category

The table below shows the breakdown of financial assets and liabilities by accounting category and their market value (or fair value). This table does not include non-financial assets and liabilities.

<i>In thousands of euros</i>	Note	Assets at fair value through profit or loss (trading)	Assets measured at amortised cost	Assets at fair value through profit or loss (fair value option)	Loans and receivables	Available-for-sale assets	Liabilities at amortised cost	Liabilities at fair value through OCI	Liabilities at fair value through profit or loss	Total net carrying amount	Fair value
Deposits and guarantees	5.5	-	-	-	3,893	-	-	-	-	3,893	3,893
Unconsolidated equity securities	5.5	-	-	-	370	-	-	-	-	370	370
Loans	5.5	-	-	-	2,893	-	-	-	-	2,893	2,893
Other financial assets	5.8	-	-	-	249	-	-	-	-	249	249
<b>Non-current financial assets</b>		-	-	-	<b>7,405</b>	-	-	-	-	<b>7,405</b>	<b>7,405</b>
Trade receivables	5.9	-	-	-	233,249	-	-	-	-	233,249	233,249
Other receivables	5.9	-	-	-	66,643	-	-	-	-	66,643	66,643
Other financial assets	5.10	-	-	-	4,677	-	-	-	-	4,677	4,677
Cash management assets	5.10	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	5.10	-	-	-	154,631	-	-	-	-	154,631	154,631
<b>Current financial assets</b>		-	-	-	<b>459,199</b>	-	-	-	-	<b>459,199</b>	<b>459,199</b>
<b>Total financial assets</b>		-	-	-	<b>466,605</b>	-	-	-	-	<b>466,605</b>	<b>466,605</b>
Bonds	5.14	-	-	-	-	-	-	-	-	-	-
Bank loans	5.14	-	-	-	-	-	1,694	-	-	1,694	1,694
Finance leases	5.14	-	-	-	-	-	-	-	-	-	-
Lease liabilities	5.4	-	-	-	-	-	31,241	-	-	31,241	31,241
Put options on non-controlling interests and earn-outs	5.8	-	-	-	-	-	-	16,998	10,300	27,298	27,298
Other non-current financial liabilities	5.8	-	-	-	-	-	1,978	-	-	1,978	1,978
<b>Non-current financial liabilities</b>		-	-	-	-	-	<b>34,913</b>	<b>16,998</b>	<b>10,300</b>	<b>62,211</b>	<b>62,211</b>
Bonds	5.14	-	-	-	-	-	30,416	-	-	30,416	30,416
Bank loans and bank overdrafts	5.14	-	-	-	-	-	2,717	-	-	2,717	2,717
Finance leases	5.14	-	-	-	-	-	-	-	-	-	-
Lease liabilities	5.4	-	-	-	-	-	12,330	-	-	12,330	12,330
Trade and other payables	5.9	-	-	-	-	-	76,450	-	-	76,450	76,450
Tax and social security liabilities	5.9	-	-	-	-	-	137,429	-	-	137,429	137,429
Other liabilities	5.9	-	-	-	-	-	94,048	2,816	3,041	99,906	99,906
<b>Current financial liabilities</b>		-	-	-	-	-	<b>353,390</b>	<b>2,816</b>	<b>3,041</b>	<b>359,247</b>	<b>359,247</b>
<b>Total financial liabilities</b>		-	-	-	-	-	<b>388,302</b>	<b>19,815</b>	<b>13,341</b>	<b>421,458</b>	<b>421,458</b>

The methods used to measure fair value are described in Note 3.1.

The fair values of financial assets have been determined in accordance with Level 1 methodology, based on quoted prices in an active market, or with Level 2 methodology, based on models incorporating observable market data.

### 8.2.2 Presentation of gains and losses by category in the income statement

The table below sets out the income, expenses, gains and losses on financial assets and liabilities on the basis of their category:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Income from financial assets at fair value (trading)	-	131
Income from financial assets at fair value (fair value option)	-	-
Income from loans and receivables	989	316
Income from available-for-sale assets	-	-
Income from available-for-sale assets transferred from equity	-	-
<b>Total financial income</b>	<b>989</b>	<b>447</b>
Expenses on financial liabilities at fair value	194	360
Expenses on financial liabilities at amortised cost	4,590	3,460
Expenses on available-for-sale assets	-	-
<b>Total financial expense</b>	<b>4,784</b>	<b>3,820</b>
<b>Net financial income/(loss)</b>	<b>(3,795)</b>	<b>(3,373)</b>

## 8.3 Group's exposure to financial risks

### 8.3.1 Credit risk

The carrying amount of financial assets represents the maximum credit risk to which the Group is exposed. The table below summarises the carrying amounts by asset category:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Deposits and guarantees	3,893	5,028
Unconsolidated equity securities	370	370
Loans	2,893	465
Other long-term assets	249	640
Trade receivables and contract assets	233,249	238,425
Other receivables	66,643	46,778
Other financial assets	4,677	2,389
Cash management assets	-	-
Cash and cash equivalents	154,631	81,659
<b>Total</b>	<b>466,605</b>	<b>375,754</b>

The main sources of credit risk identified by the Group, as defined in Note 8.1, are trade receivables and investments of cash surpluses. Cash is invested exclusively in bank deposits, money market funds and capitalisation contracts with reputable counterparties.

The table below presents the total trade receivables due and not due by maturity tranche:

Trade receivables	31 December 2020				31 December 2019			
	Gross	Provision	Net	%	Gross	Provision	Net	%
<i>In thousands of euros</i>								
Not past due and invoices to be issued	179,425	29	179,396	77%	183,062	326	182,736	77%
Past due less than 1 month	30,136	9	30,126	13%	22,679	15	22,664	10%
Past due between 1 and 3 months	14,932	43	14,888	6%	16,097	36	16,062	7%
Past due between 3 and 6 months	6,891	107	6,784	3%	6,287	43	6,244	3%
Past due more than 6 months	7,452	5,397	2,054	1%	14,200	3,481	10,720	4%
<b>Total</b>	<b>238,835</b>	<b>5,586</b>	<b>233,249</b>	<b>100%</b>	<b>242,326</b>	<b>3,901</b>	<b>238,425</b>	<b>100%</b>

Receivables more than six months past due not covered by provisions correspond mainly to our subsidiary Devoteam Middle East, as settlement periods are significantly longer than the Group average in the Middle East.

The impairments of trade receivables were as follows during the financial year:

<i>In thousands of euros</i>	31 December 2019	Change in scope	Charges	Reversals	Other	Translation differences	31 December 2020
Provisions for trade receivables	(3,901)	-	(2,424)	667	(29)	102	(5,586)

The net change in the provision for €1,685 thousand is mainly related to the default of a customer of one of our French entities which suffered the full brunt of the health crisis and which led the Group to make a provision of €721 thousand. This isolated event does not call into question the quality of the Group's customer base and, based on its past experience and on a case-by-case analysis of receivables, the Group does not believe that any additional provision is required on due and outstanding receivables, and particularly not on receivables more than six months past due. These receivables are identified and monitored by management.

By geographical area, the impairments of receivables break down as follows:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
France	1,755	942
International	3,831	2,959
<b>Total</b>	<b>5,586</b>	<b>3,901</b>

By geographical area, the customer risk breaks down as follows:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
France	111,391	113,722
International	126,082	128,604
<b>Total</b>	<b>237,473</b>	<b>242,326</b>

In 2013, the Group concluded a contract for the assignment of trade receivables with a leading banking counterparty concerning the implementation of a disposal programme capped at €45 million. This programme was concluded for an indefinite period, on the Group's French scope, with possible extension to other European entities. Receivables are sold without recourse, allowing the Group to transfer substantially all the risks and benefits related to receivables to the transferee, and to derecognise the receivables in question immediately. The outstanding receivables sold at 31 December 2020 totalled €12,938 thousand (vs €13,361 thousand at 31 December 2019).

Derecognised assets with continuing involvement:

Continuing involvement <i>In thousands of euros</i>	Carrying amount of continuing involvement				Fair value of continuing involvement	Maximum exposure
	Amortised cost	Held until the deadline	Available for sale	Financial liabilities at fair value		
Factoring security deposit	1,540	-	-	-	1,540	1,540

The “Other receivables” item does not contain any significant impairment risk.

### 8.3.2 Liquidity risk

The table below shows the undiscounted repayment flows (principal and interest) of the financial liabilities (excluding current and non-current provisions and deferred tax liabilities) based on the remaining contractual maturities:

2020 <i>In thousands of euros</i>	Net carrying amount	Residual contractual amount	Six months or less	Six to twelve months	One to five years	More than five years
Bonds	30,416	30,975	30,975	-	-	-
Finance leases	-	-	-	-	-	-
Lease liabilities	43,571	45,224	6,859	5,916	28,031	4,418
Other loans and borrowings	2,879	2,879	1,185	-	1,694	-
Bank overdrafts	1,531	1,531	1,531	-	-	-
Trade payables and related accounts	76,450	76,450	76,450	-	-	-
Tax and social security liabilities	137,429	137,429	137,429	-	-	-
Other liabilities	129,182	129,182	97,090	2,816	29,276	-
<b>Total</b>	<b>421,458</b>	<b>423,671</b>	<b>351,519</b>	<b>8,733</b>	<b>59,001</b>	<b>4,418</b>

The Group does not expect the cash flows included in this maturity analysis to take place much earlier or in significantly different amounts.

2019 <i>In thousands of euros</i>	Net carrying amount	Residual contractual amount	Six months or less	Six to twelve months	One to five years	More than five years
Bonds	30,361	31,950	-	975	30,975	-
Finance leases	39	39	39	-	-	-
Lease liabilities	45,226	48,100	6,364	5,913	29,094	6,730
Other loans and borrowings	3,236	3,236	1,317	-	1,920	-
Bank overdrafts	71	71	71	-	-	-
Trade payables and related accounts	57,318	57,318	57,318	-	-	-
Tax and social security liabilities	128,201	128,201	128,201	-	-	-
Other liabilities	89,441	89,441	71,575	126	17,741	-
<b>Total</b>	<b>353,895</b>	<b>358,358</b>	<b>264,885</b>	<b>7,014</b>	<b>79,729</b>	<b>6,730</b>

### 8.3.3 Currency risk

Currency risk, as described in Note 8.1, is focused chiefly on the Norwegian krone (NOK), UAE dirham (AED), Danish krone (DKK), and pound sterling (GBP).

The table below provides the rates of these currencies against the euro applied during the year:

Currency	Average rate		Closing rate	
	2020	2019	2020	2019
DKK	7.4542	7.4661	7.4409	7.4715
AED	4.1947	4.1113	4.5065	4.12568
NOK	10.7228	9.8511	10.4703	9.8638
GBP	0.8897	0.8778	0.8990	0.8508

#### Sensitivity

The table below shows the impact on the balance sheet and the income statement of a variation of plus or minus 10% by the exchange rate (average and closing) applied to the above currencies:

In thousands of euros	2020		2019	
	+10%	-10%	+10%	-10%
Impact on equity	(3,893)	4,759	(3,789)	4,630
Impact on profit or loss	(653)	799	(896)	1,096

#### 8.3.4 Interest rate risk

The Group's exposure to interest rate risk breaks down between fixed and floating rates as follows:

In thousands of euros	2020	2019
<b>Floating rate</b>		
Other current financial assets	-	-
Cash and cash equivalents	154,631	81,659
Short-term credit facilities	-	-
Bank overdrafts	(1,531)	(71)
<b>Net exposure before hedging</b>	<b>153,099</b>	<b>81,588</b>
<b>Fixed rate</b>		
Other current financial assets	4,677	2,389
Cash management assets	0	0
Bonds	(30,416)	(30,361)
Finance leases	-	(39)
Lease liabilities	(43,571)	(45,226)
Other borrowings	(2,879)	(3,236)
<b>Net exposure before hedging</b>	<b>(72,189)</b>	<b>(76,473)</b>
<b>Total exposure before hedging</b>	<b>80,910</b>	<b>5,115</b>

The main terms and conditions of loans and borrowings are as follows:

In thousands of euros	Currency	Interest rate	Maturity	31 December 2020		31 December 2019	
				Original amount	Carrying amount	Original amount	Carrying amount
Credit facilities	€	E3M + 0.65% to 1.05%	2024	-	-	-	-
Bond <sup>(1)</sup>	€	3.44%	2021	30,000	29,970	30,000	29,915
Finance leases	€	3.04% to 4.20%	2020	5,955	0	5,955	39
Lease liabilities <sup>(2)</sup>	€	0.48% to 18.78%	2020 to 2030	68,476	43,571	57,150	45,226
Bank overdrafts	€	Floating	Short term	1,531	1,531	71	71

(1) The characteristics of the bonds are described in Note 5.14.

(2) According to country and maturity.

## Note 9 – Miscellaneous information

### 9.1 Breakdown of the workforce

The end-of-period workforce amounted to 7,623 employees, compared with 7,562 at the end of 2019, consisting almost entirely of executive personnel.

### 9.2 Related parties

#### 9.2.1 Information on the compensation and benefits allocated to the management bodies

The compensation of the members of the Management Board is as follows:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Short-term employee benefits	2,500	1,108
Post-employment benefits	-	-
Employment contract termination benefits	-	-
Directors' fees	200	200
Share-based payments	-	-
<b>Total</b>	<b>2,700</b>	<b>1,308</b>

These amounts include total gross compensation, including benefits in kind and the value of stock options granted during the period. Executive corporate officers are not eligible for any long-term benefits.

The directors' fees paid to the members of the Supervisory Board in 2020 amounted to €140 thousand, stable compared to 2019.

#### 9.2.2 Information on associates and other related parties

Sales and purchases with related parties are made at market prices. The following table sets out the total amount of transactions with related parties in the 2020 and 2019 financial years:

<b>Recorded amounts</b> <i>In thousands of euros</i>	31 December 2020			31 December 2019		
	Associates <sup>(1)</sup>	Joint ventures	Other related parties <sup>(2)</sup>	Associates <sup>(1)</sup>	Joint ventures	Other related parties <sup>(2)</sup>
Sales to related parties	191	-	-	3,216	-	-
Purchases from related parties	3,033	-	2,993	1,277	-	3,014
Purchases of assets from related parties	-	-	-	-	-	-
Dividends and other investment income	-	-	-	-	-	-
Interest and financial expense	40	-	-	72	-	-
Other operating expenses	123	-	-	-	-	-
Other operating income	-	-	-	40	-	-
Receivables from related parties	1,289	-	646	1,691	-	646
Payables to related parties	591	-	-	95	-	-

(1) Concerning DFSJ, Siticom GmbH, Keivox, Media-Tel LLC and Exa ECS for 2020; and DFSJ, Siticom GmbH, Keivox, Media-Tel LLC, Exa ECS, Between Staffing Group BV, Outfit and Techsensys for the income statement aggregates before their full consolidation for 2019.

(2) Relates to SCI 73 rue Anatole France as described below.

#### SCI 73 rue Anatole France

In July 2005, the Group signed a subletting agreement for a building with SCI 73 rue Anatole France. It plans to relocate its registered office to these premises. As SCI 73 rue Anatole France and the Group have a number of directors in common, the Group appointed two independent appraisers to ensure that the transaction was carried out on an arm's length basis. The agreement took effect from 1 May 2008, the effective date of occupancy.

In November 2008 and June 2012, the Group signed two new subletting agreements with SCI 73 rue Anatole France for premises located at 113 rue Anatole France in Levallois and at 1 rue Galvani in Massy respectively, previously occupied under a lease between the Group and another owner. The terms of the new agreements are identical to those of the leases signed with the previous owners.

In November 2017, the Group signed a new sub-lease agreement with SCI 73 rue Anatole France for premises located at 43 boulevard Barbès.

The above subletting agreements do not carry any off-balance sheet commitments.

### 9.3 Off-balance sheet commitments

#### 9.3.1 Guarantees given

The main sureties, endorsements and guarantees given by the Group at 31 December 2020 are described below:

<i>In thousands of euros</i>	31 December 2020	31 December 2019
Commitments given related to the implementation of customer contracts	9,201	5,266
Commitments given related to the guarantee of trade payables	-	-
Commitments given related to the guarantee of payment of commercial leases	105	0
Other commitments given	-	-
<b>Total</b>	<b>9,307</b>	<b>5,266</b>

#### 9.3.2 Operating leases

The minimum lease payments under non-cancellable operating leases are as follows:

<i>In thousands of euros</i>	Less than one year	One to five years	More than five years
31 December 2020	1,427,891	967,915	-
31 December 2019	804	215	-

The off-balance-sheet commitments on 31 December 2020 concern IT equipment and intangible assets not restated in accordance with the exemptions authorised by the IFRS 16 standard (see Note 2.1).

### 9.4 Statutory Auditors' fees

The table below presents the detailed amounts of Statutory Auditors' fees paid for the 2019 and 2020 financial years:

<i>In thousands of euros</i>	2020							2019						
	KPMG	%	Grant Thornton	%	NSK	%	Total	KPMG	%	Grant Thornton	%	NSK	%	Total
<i>Certification and half-yearly limited review of separate and consolidated financial statements</i>														
Issuer	154	22%	150	37%	0	0%	304	157	29%	146	37%	0	0%	303
Fully consolidated subsidiaries	214	31%	238	59%	64	100%	516	193	35%	218	55%	62	100%	473
<i>Services other than certification of financial statements</i>														
Issuer	87	18%	13	3%	0	0%	100	200	36%	11	3%	0	0%	211
Fully consolidated subsidiaries	31	6%	2	0%	0	0%	33	0	0%	24	6%	0	0%	24
<b>Total</b>	<b>486</b>	<b>100%</b>	<b>403</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>952</b>	<b>550</b>	<b>100%</b>	<b>399</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>1,011</b>

#### Note 10 – Significant events subsequent to 31 December 2020

On 24 February 2021, the Group acquired 70% of the Spanish group Nubalia, a leader in the integration of Google Cloud solutions in Iberia. The company has approximately 50 employees and generated revenue of approximately €4.1 million in its last financial year (estimated after application of IFRS 15).

### 3.7 Statutory Auditors' report on the consolidated financial statements

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the SOCIETE DEVOTEAM issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Financial year ended 31 December 2020

To the General Meeting of Shareholders of Devoteam SA,

#### Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Devoteam SA for the financial year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

#### Basis of opinion

##### *Auditing framework*

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in the auditing of the consolidated financial statements" section of this report.

##### *Independence*

We carried out our audit mission in accordance with the rules of independence set out in the French Commercial Code and the Code of Ethics of the profession of statutory auditor, for the period from 1 January 2020 to the date of our report, and in particular we did not provide any services prohibited by Article 5 (1) of EU Regulation No. 537/2014.

#### Justification of assessments - Key Audit Matters

The global crisis related to the COVID-19 pandemic created special conditions for the preparation and audit of this year's accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency entailed multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and teleworking, also affected the internal organisation of companies and the way audits were carried out.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the year, as well as how we addressed said risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion expressed above, and we do not provide a separate opinion on specific items of the consolidated financial statements.

##### **Valuation of goodwill**

(Notes 3.2 and 5.1 of the appendix to the consolidated financial statements)

##### *Risk identified*

As part of its development, the Group conducts external growth transactions and is required to recognise goodwill as an asset in



its financial statements.

Goodwill is the difference between the compensation transferred and the net carrying amount of the identifiable assets acquired and the liabilities assumed. It is allocated to the various cash-generating units (CGUs).

As indicated in Note 3.2 “Business combinations and goodwill” to the consolidated financial statements, goodwill is tested for impairment in order to ensure that its net carrying amount, which is recognised as assets in the amount of €146,725 thousand at 31 December 2020, is not greater than its recoverable amount. However, any unfavourable change in the activities to which goodwill has been allocated due to internal or external factors that may be related to the economic and financial environment of the markets in which the Group operates may significantly affect the recoverable amount of the goodwill and require recognition of impairment. Such a development would result in a reappraisal of the relevance of all of the assumptions used for the determination of recoverable amounts as well as the reasonableness and consistency of the calculation parameters used.

The terms of the impairment test used and the details of the assumptions retained are described in Notes 3.2 and 5.1 to the consolidated financial statements. The recoverable amount was determined by reference to the value in use calculated from the present value of the cash flows of each cash-generating unit.

We considered the valuation of goodwill to be a key audit matter, given the weight of these assets in the statement of consolidated financial position, the importance of the judgments of the executive management in the determination of the assumptions made, in particular regarding cash flow forecasts, discount rates, long-term growth rates and normative profitability, as well as the sensitivity of the assessment of their recoverable value to those assumptions.

#### *Response given*

We reviewed the work relating to the impairment tests carried out by the Group and the conclusions that emerged from them.

Our work consisted mainly of:

- assessing, in accordance with applicable accounting standards, the manner in which the Group allocated goodwill to CGUs during the acquisitions made during the year and the grouping level of the CGUs selected for goodwill impairment tests;
- assessing the reasonableness of the valuation of the recoverable amount of the CGUs identified for the goodwill impairment tests;

This analysis consisted of:

- interviews with executive management;
  - a comparison of the cash flow projections resulting from the budget and forecasting process for the years 2021 to 2024 with the projections used in the impairment test for the previous year;
  - a comparison of the 2020 results projections used in the previous financial year’s impairment test with actual results to assess their reliability;
  - an assessment of the reasonableness of the assumptions used in the projections in the light of our knowledge of the economic environment in which the Group operates; and
  - an assessment, with the support of our valuation experts, of the reasonableness of the financial parameters used in the impairment tests, the model used to determine value in use and the method used to determine the discounting and long-term growth rates;
- an analysis of the sensitivity of the impairment tests to changes in the key assumptions used in the business plans and the financial parameters applied.

#### **Recognising revenue for fixed-price contracts and resale of licences**

(Note 3.12 to the appendix to the consolidated financial statements)

#### *Risk identified*

The Devoteam Group operates in the professional IT services and innovative technology consultancy market. It provides services through subcontracting or fixed-price contracts. These may include other services, including the resale of third-party licences and SaaS platform access rights as part of integration projects.

As stated in Note 3.12 to the consolidated financial statements, the recognition of revenue and associated costs varies according to the type of service provided:

- Fixed-price services are contracts based on deliverables and billing milestones according to which the Group undertakes to

transfer to the client a series of goods or services based on a fixed price which may be adjusted according to the different criteria of each contract. Fixed-price contracts are generally recognised using the percentage of completion method as either the Group's service improves an asset over which the client obtains control as and when the service is performed, or the Group manufactures specifically for the client an asset with no alternative use and therefore has an irrevocable right to payment for the service provided to date in the event that the contract is terminated by the client. The stage of completion is determined by comparing the costs incurred at closing with the total expected costs over the term of the contract;

The total costs of a contract, in particular those still to be incurred, are regularly monitored and estimated to determine whether the stage of completion of the contract and the level of margin to be recognised need to be revised. When it is probable that total contract costs will exceed total contract revenue, the expected loss is expensed immediately. The Group contractually acquires the right to invoice at contractual milestones or upon acceptance by the client of work carried out. If the difference between the cumulative revenue and invoices is positive, this is presented in contract assets. If it is negative, it is presented in contract liabilities.

- For the resale of third-party licences and access rights to platforms in "Cloud" or "SaaS" mode:
  - in the case of a sale of third-party perpetual publisher licences representing a separate performance obligation, the Group decided that it obtains control of the licence prior to its transfer to the client, since it was not authorised to make changes to that licence, and noted that in the majority of cases, the licence was transferred directly by the publisher to the client. The Group acts as an agent and recognises only the net sales margin made on the sale of licences in revenue. Conversely, if the licence forms an integral part of a complex integration solution managed by the Group and the Group considers that it acts as principal for the entire project, including the licence, the transaction is then recognised on a gross basis;
  - in the case of the sale of a subscription to a software platform in "Cloud" or "SaaS" mode, as an integral part of an overall solution in which, for the term of the contract, the Group is responsible for operational performance on the customer's behalf and the Group considers that it acts as principal for the entire solution, then the transaction is recognised on a gross basis. Otherwise, the Group acts as agent in the resale of access rights to the platform and the revenue recognised corresponds to the margin made.

We considered the accounting treatment relating to the separation of financial years for fixed-price service contracts as a key audit matter insofar as the estimated costs of these contracts are based on operational assumptions and that their estimate has a direct impact on the level of revenue and margin recognised in the financial statements.

We also considered the recognition of sales of third party licences and subscription rights for access to software platforms in "Cloud or SaaS mode" as a key audit point, notably with regard to the "agent/principal" analysis presented above required by the application of the IFRS 15 standard on recognition of income.

#### *Response given*

- We looked at the internal control system relative to the recognition of fixed-price contracts and contracts for the resale of licences from third-party publishers and subscription rights for access to software platforms in "Cloud" or "SaaS" mode. We tested the effectiveness of the key controls implemented by:
  - management controllers, in particular those relating to the allocation of costs;
  - internal control as part of the new annual control of major contracts.
- For a selection of contracts based on quantitative and qualitative criteria, we performed the following due diligence:
  - For the fixed-price contracts:
    - we reconciled the financial data (revenue, invoicing, costs and work in progress) included in the monitoring sheet for the contract prepared monthly by management control, with the accounting;
    - we went back to the customer agreement to validate the revenue recognised;
    - on the basis of interviews with the management controllers and/or operational managers, we assessed the remaining costs to be incurred and the stage of completion of the contract that they have determined and on which the accounting of the revenue figure is based.
  - For sales of third-party licences and subscriptions to SaaS platforms:
    - we reviewed the criteria used by the Group for the recognition of these sales against the provisions of the IFRS 15 standard;

- we reviewed the processes for identifying these types of sales within the Group;
- we tested, using sampling techniques, the proper application of the criteria used for the accounting of these sales.

### **Specific verifications**

We also, in accordance with the professional standards applicable in France, carried out the specific checks specified by the laws and regulations relative to the Group, given in the management.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

### **Non-financial performance statement**

We attest that the consolidated non-financial performance statement, required by Article L. 225-102-1 of the French Commercial Code, is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and that this information must be reported by an independent third party.

### **Other verifications or information required by laws and regulations**

#### ***Format of the annual financial statements to be included in the annual financial report***

In accordance with III of Article 222-3 of the AMF General Regulation, the management of your company has informed us of its decision to postpone the application of the single electronic information format as defined by Delegated European Regulation No. 2019/815 of 17 December 2018 to the financial years beginning on or after 1 January 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code.

#### ***Appointment of the Statutory Auditors***

We were appointed Statutory Auditors of Devoteam SA by the General Meeting of 26 July 1999 for KPMG and 20 June 2014 for Grant Thornton.

As of 31 December 2020, KPMG SA was in the fourth year of its mission without interruption and Grant Thornton in the seventh year.

Moreover, KPMG SA and KPMG Audit IS are members of the KPMG network, and were previously Statutory Auditors of the entity from 1999 to 2000 and from 2001 to 2016, respectively.

### **Responsibilities of the executive management and corporate governance officers with respect to the consolidated financial statements**

It is the responsibility of executive management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements that are free of material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, executive management is responsible for evaluating the ability of the company to continue as a going concern, to present in those financial statements, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is planning to wind up the company or cease operations.

The Audit Committee is responsible for overseeing the financial reporting process and monitoring the effectiveness of the internal control and risk management systems and, as applicable, the internal audit with respect to procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Management Board.

## Responsibilities of the Statutory Auditors with respect to the auditing of the consolidated financial statements

### *Audit objective and process*

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can consistently detect any significant anomalies. Anomalies may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that readers of the statements take based thereon.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not constitute a guarantee of the viability or quality of the management of your company.

In the context of an audit conducted in accordance with the professional standards applicable in France, Statutory Auditors exercise their professional judgment throughout the audit. In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and collect items they consider sufficient and appropriate for the formation of their opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement resulting from an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumventing of internal controls;
- they review the internal controls relevant to the audit in order to define appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of the internal controls;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by executive management, as well as the information concerning them provided in the consolidated financial statements;
- they assess the appropriateness of executive management's application of the going concern accounting policy and, depending on the evidence gathered, the existence or non-existence of significant uncertainties related to events or circumstances that may call into question the company's ability to continue as a going concern. This assessment is based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardise the continuity of operations. If they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information provided in the consolidated financial statements about such uncertainty or, if the information is not provided or is irrelevant, they formulate a qualified certification or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events such that they give a true and fair view of them;
- concerning the financial information of the persons or entities included in the scope of consolidation, they collect the information that they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the executive management, supervision and performance of the audit of the consolidated financial statements and of the opinion expressed on the financial statements.

### ***Report to the Audit Committee***

We submit a report to the Audit Committee that outlines the scope of the audit work and the programme implemented, as well as the conclusions arising from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been the most important for the audit of the consolidated financial statements for the year, and which therefore constitute the key points of the audit that it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration mentioned in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for the profession of Statutory Auditor. As appropriate, we discuss the risks to our independence and the safeguards applied with the Audit Committee.

#### The Statutory Auditors

Paris La Défense, 30 April 2021

Neuilly-sur-Seine, 30 April 2021

KPMG Audit  
*Department of KPMG SA*

Grant Thornton  
*French Member of Grant Thornton International*

Jean-Pierre Valensi  
*Partner*

Vincent Frambourt  
*Partner*

## 4 DEVOTEAM SA SEPARATE FINANCIAL STATEMENTS

### 4.1 Devoteam SA balance sheet

<b>ASSETS</b> <i>In thousands of euros</i>	<i>Note</i>	<b>31 December 2020</b>	<b>31 December 2019</b>
Intangible assets	3.1	14,190	13,745
Tangible assets	3.1	3,796	4,749
<u>Financial assets</u>			
Equity securities and associated receivables	3.2	195,815	184,713
Other financial assets	3.2	17,323	18,980
<b>FIXED ASSETS</b>		<b>231,124</b>	<b>222,187</b>
Trade and other receivables	3.3	69,350	69,621
Other receivables	3.3	40,759	49,566
Marketable securities	3.7	10,863	863
Cash assets		55,718	24,420
Prepaid expenses	3.3	3,830	3,947
<b>CURRENT ASSETS</b>		<b>180,520</b>	<b>148,418</b>
Foreign currency translation differences - assets		392	343
<b>TOTAL ASSETS</b>		<b>412,036</b>	<b>370,948</b>

<b>LIABILITIES</b> <i>In thousands of euros</i>	<i>Note</i>	<b>31 December 2020</b>	<b>31 December 2019</b>
Share capital		1,263	1,263
Share premium		52,933	52,933
Legal reserves		160	160
Other reserves		-	-
Retained earnings		144,970	119,288
Profit for the year		10,718	25,682
Regulated provisions		1,131	904
<b>EQUITY</b>	<b>3.9</b>	<b>211,175</b>	<b>200,230</b>
Provisions for liabilities		6,703	3,971
Provisions for charges		2,628	2,430
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>3.4</b>	<b>9,330</b>	<b>6,400</b>
<u>Borrowings</u>			
Bonds	3.3	30,446	30,446
Loans from credit institutions and miscellaneous borrowings	3.3	62,629	43,753
<u>Operating liabilities</u>			
Trade payables and related accounts	3.3	31,709	31,886
Tax and social security liabilities	3.3	41,291	40,130
<u>Other liabilities</u>			
Other liabilities	3.3	10,651	7,766
Deferred income	3.3	14,442	10,226
<b>LIABILITIES</b>		<b>191,167</b>	<b>164,207</b>
Foreign currency translation differences – liabilities		364	111
<b>TOTAL LIABILITIES</b>		<b>412,036</b>	<b>370,948</b>

#### 4.2 Devoteam SA income statement

<i>In thousands of euros</i>	<i>Note</i>	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>NET REVENUE</b>	4.1	<b>292,736</b>	<b>297,196</b>
Capitalised production		112	102
Operating subsidies			
Reversals of depreciation, amortisation and provisions, expense reclassification		1,498	1,984
Other income		44	78
<b>OPERATING INCOME</b>		<b>294,389</b>	<b>299,360</b>
Purchase of raw materials and goods		(65)	
Other purchases and external expenses		(150,635)	(147,860)
Taxes		(5,341)	(4,855)
Wages and salaries		(90,767)	(91,704)
Social security contributions		(38,942)	(40,380)
Fixed assets depreciation and provisions		(1,713)	(1,551)
Provisions for current assets		(299)	(316)
Provisions for liabilities and charges		(1,477)	(543)
Other expenses		(1,271)	(1,363)
<b>CURRENT OPERATING EXPENSES</b>		<b>(290,512)</b>	<b>(288,572)</b>
<b>OPERATING PROFIT</b>		<b>3,877</b>	<b>10,789</b>
Financial income		34,306	20,431
Financial expenses		(22,861)	(7,359)
<b>FINANCIAL INCOME</b>	4.5	<b>11,445</b>	<b>13,072</b>
<b>CURRENT PROFIT BEFORE TAXES</b>		<b>15,322</b>	<b>23,861</b>
Extraordinary income		1,439	7,352
Extraordinary expenses		(4,197)	(2,426)
<b>EXTRAORDINARY INCOME</b>	4.6	<b>(2,758)</b>	<b>4,926</b>
Employee profit-sharing		-	-
Corporate income taxes	4.8	(1,847)	(3,105)
<b>NET INCOME</b>		<b>10,718</b>	<b>25,682</b>

### 4.3 Notes to the Devoteam SA financial statements

#### NOTE 1 - PRESENTATION AND DESCRIPTION OF THE COMPANY

Devoteam SA (the Company), created in 1995, is a limited liability company (société anonyme) governed by French law.

Devoteam, a European consulting and engineering group, is a major player in business consulting in the fields of innovative technologies and management. With 25 years of experience in innovative and disruptive technologies, the Group supports its clients through the digital transformation of their organisational structure and their businesses.

The year 2020 was marked and impacted from mid-March by the COVID-19 health crisis. This unprecedented crisis has upset the fundamentals of our economies and created significant uncertainties in the economic environment. Faced with this crisis, the Group reacted quickly to adapt to the different periods of lockdown and to preserve the health of its employees. The business was impacted mainly in France, Germany and the Benelux countries. In these areas, the Group has used partial activity or its equivalent to cushion the decline in activity. The Group's other geographical areas were less affected due to customer activities in less affected segments, such as telecoms, healthcare and the public sector. During this period, the Group continued to invest with its strategic partners in innovation and training in order to increase the skills of its teams in the technologies that contribute most to the acceleration of the digitalisation of the economy.

In addition to the operational resilience shown by the Group during this major crisis, the Group was also able to rely on a very solid balance sheet with a net cash position that was significantly strengthened, in particular through a strong improvement in the number of days of sales outstanding and by the decision of the Management Board, supported by the Supervisory Board, not to distribute dividends for the year 2019. This strategy enabled the Group, despite the crisis, to continue to strengthen its activities through three targeted acquisitions made in the second half of the year:

- On 10 July, the Group acquired 70% of Inviso, a Danish business intelligence and data analytics specialist, Tableau's "Gold Partner" and Alteryx's "Premier Partner". The company has approximately 60 employees and generated revenue of approximately €7 million in its last financial year (estimate after application of IFRS 15).
- On 4 August, the Group acquired 70% of Fourcast, a Belgian specialist in the integration of Google Cloud solutions present in Belgium, the Netherlands and the United Kingdom. The company has approximately 25 employees and generated revenue of approximately €3.5 million in its last financial year (estimated after application of IFRS 15).
- On 23 December, the Group acquired 100% of Ysance, a French data specialist and partner of the leading publishers of business intelligence solutions. The company has approximately 70 employees and generated revenue of approximately €5.5 million in its last financial year.

The year 2020 was also marked by the transaction on the Company's share capital, announced in July 2020, in which the founders, members of the Management Board and reference shareholders of Devoteam, Messrs Godefroy and Stanislas de Bentzmann, with the support of KKR as financial partner, jointly launched a takeover bid for Devoteam shares in order to consolidate their control. The objective is to accelerate Devoteam's complex transformation and to deliver the strategic vision "Tech for people" within a highly demanding and competitive digital landscape. This operation allows Castillon (the holding company of the operation) to hold just over 80% of the Group's capital.

On 10 September, following the annual review of the Euronext Paris indices, the Expert Indices Committee decided to include Devoteam in the samples making up the SBF 120 and CAC Mid 60 indices. The effective date of this decision was set at Friday 18 September 2020 after the close of the market.

#### NOTE 2 - ACCOUNTING PRINCIPLES, RULES AND METHODS

##### 2.1 General principles applied

The accounting policies have been applied in accordance with the prudence principle and in compliance with the underlying assumptions of going concern, consistency of accounting methods, and independence of financial years, and with the general rules on the preparation and presentation of annual financial statements in France and in accordance with Regulation No. 2014-03 of the French Accounting Standards Authority (Autorité des normes comptables - ANC).

The method used in the valuation of accounting items is that of historical cost.

Assets whose value is calculated in reference to mid- and long-term outlooks, in particular, intangible assets and equity securities, have been valued on the basis of parameters set in accordance with the budgetary and forecasting process. The discount rate was set by an independent firm on the basis of averages observed over the last ten years as regards the risk premium and over the last five years as regards the beta. The risk-free rate is the average of the last ten years of ten-year French government bonds.



## 2.2 Fixed assets

### 2.2.1 Intangible assets

The gross value of intangible assets is essentially determined by the value of goodwill arising on mergers between Devoteam SA and the following companies:

- Devoteam SI and Dataverse in June 2001;
- Apogée Communications in July 2005.

Since 2005, goodwill is no longer amortised but is tested for impairment.

At each year-end, the net book value is compared to the value in use, so as to ensure that the value of the goodwill remains higher than or equal to its book value. Where appropriate, a provision for impairment is made. Since 1 January 2016, in accordance with the entry into force of ANC regulation No. 2015-06, past impairment is no longer reversed.

The value in use of goodwill is calculated using the discounted future cash flow method. This method is applied on the basis of parameters resulting from the budgetary and forecasting process, extended over a five-year timeframe, using growth and profitability rates deemed reasonable. Discounted and long-term growth rates over the period beyond five years, determined with reference to the industry in which the Group operates and on historical data, are applied to the valuations of all entities that generate their own cash flow. This value is then weighted by one or more discount coefficient in accordance with the specifics of each of the funds.

The values of the main parameters used are:

- a discounted future cash flow rate of 9.2%;
- a long-term growth rate of 2%;
- a standard rate of return of 8%.

### 2.2.2 Tangible assets

Tangible assets are recorded at their cost price, which corresponds to their purchase price (cost of acquisition plus ancillary costs) as well as costs directly incurred to ensure the establishment and operation of the asset. The depreciation periods used correspond to the estimated useful life of the assets within the company and are determined in accordance with the following:

Asset category	Duration	Method
Fixtures and fittings	10 years	Straight line
Office equipment	3 to 5 years	Straight line
IT equipment	3 years	Straight line
Transportation equipment	2 to 4 years	Straight line
Office furniture	3 to 10 years	Straight line

## 2.3 Financial assets

### 2.3.1 Equity securities

The value in use of equity securities is calculated either based on the share held in the net assets (mainly for non-controlling interests), or using the discounted future cash flow method, adjusted to reflect the cash and/or net debt of the companies in question. The latter is applied on the basis of parameters resulting from the budgetary and forecasting process, extended over a five-year timeframe, using growth and profitability rates deemed reasonable. Discounted and long-term growth rates over the period beyond five years, determined with reference to the industry in which the Group operates and on historical data, are applied to the valuations of all entities that generate their own cash flow.

The values of the main parameters used for the discounted future cash flow method are:

- a discount rate of between 8.9% and 15.2% depending on the geographical area;
- a long-term growth rate of 2% (2.50% for emerging markets);
- a normative rate of return of between 3% and 10% according to the activity of each entity.

Any negative difference recorded against the subscription value is the subject of a provision for impairment.

In the case of certain acquisitions, incremental earn-outs are scheduled for the following financial years in accordance with the performance of the companies in question. At the end of the financial year, the earn-outs amounted to €1,912 thousand and

concerned the acquisition of the Fourcast group for €1,028 thousand, the Inviso group for €571 thousand and Globicon for €313 thousand.

### 2.3.2 Treasury shares

Treasury shares purchased under a buyback scheme for which the earmarking targets are unknown are recorded as fixed securities. At year-end, the inventory value is determined using the average market price over the previous month. A provision for impairment is recorded when the inventory value is below the purchase value.

### 2.4 Receivables and payables

Receivables and payables are recorded at their par value after taking into account, where applicable, any translation differences for foreign currency balances at the closing rate.

### 2.5 Doubtful receivables

The credit risk is periodically assessed based on a case-by-case analysis of receivables and a provision is made for any potential losses on non-recoverable debt.

### 2.6 Marketable securities

The gross value is made up of the purchase price excluding ancillary costs. When the inventory value is below the gross value, a provision for impairment is made for the difference.

For treasury shares purchased and earmarked for employees, a provision for impairment is recognised when the average market price over the last month of the year is below the average purchase price of shares bought by the Company.

In accordance with CRC Regulation No. 2008-15 of 4 December 2008 and CNC Notice No. 2008-17 of 6 November 2008, the shares allocated to a stock purchase option plan are valued at their entry cost and are no longer subject to impairment based on their market value, due to the commitment to allocate them to employees. As counterparty, a liability is recognised when the obligation to distribute shares to employees is likely or certain to result in an outflow of resources without consideration of at least equal value.

### 2.7 Provisions

In accordance with CRC Regulation No. 2000-06, the major liabilities and charges identified at the closing date of the financial statements is subject to a provision when the Company has, at year-end, an obligation towards a third party which is likely or certain to result in an outflow of resources in favour of this third party, without consideration of at least equal value.

### 2.8 Loans and borrowings

On 17 July 2015, the Group issued an unlisted Euro Private Placement ("Euro PP") bond in a nominal amount of €30 million bearing interest at a fixed rate of 3.25% per year, for an initial term of six years maturing on 17 July 2021. The bonds were initially subscribed by two investors by virtue of contracts including default covenants, the criteria of which are assessed at the balance sheet date.

The table below presents the ratios set out in the bond contract:

	Required covenant	Date
R1 Ratio (consolidated net debt/consolidated EBITDA)	< 2.5	Until 17/07/2021
R2 Ratio (consolidated net debt/consolidated equity)	< 1	Until 17/07/2021

Consolidated net debt is the portion of current and non-current liabilities among "Loans and borrowings" less the amount of "Cash and cash equivalents" or other financial investments useable or transferable in a period of less than 30 days, as such items are recognised in the consolidated statement of financial position.

Consolidated equity is the amount of "Equity attributable to owners of the parent" plus "Non-controlling interests", as such items are recognised in the consolidated statement of financial position.

Consolidated EBITDA is the Group's "Current operating profit" before deducting "Net allowances to and reversals of depreciation, amortisation and provisions".

The features of this bond are as follows:

	17 July 2015 bond
Number of bonds issued	300
Par value/Issue price (€)	100,000
Issue price (€)	100,000
Total amount of the issue in par value, July 2015 (€)	30,000,000
Initial interest rate	3.25%*
Number of bonds redeemed during the financial year	-
Number of bonds still outstanding at 31 December 2020	300
Expected date of redemption	17/07/2021

\* A step-up coupon mechanism is applied if R1 is greater than 1:  
 if  $1 > R1 < 2$ : the rate will be 3.5%;  
 if  $2 > R1 < 2.5$ : the rate will be 4%.

In addition, the Group has senior confirmed revolving credit facilities (RCFs) with leading banking counterparties in the amount of €105 million for a period of five years, expiring between March and June 2024.

Draws on such facilities are subject to covenants and compliance with classic financial ratios for loans of this type. As of the year-end, the Group had not drawn down any sums on these credit facilities, and the covenants were all met.

## 2.9 Pension commitments

The amount of commitments in terms of pensions, supplementary pensions, compensation, allowances for retirement and other similar benefits for members of staff and corporate officers are valued at each year-end in accordance with Article 22 of the Syntec Collective Agreement and IAS 19 "Employee benefits", as reiterated in CNC Notice No. 2003-R-01.

Within the framework of defined-benefit schemes, pension and retirement commitments are calculated using the projected unit credit method. Under this method, each period of service gives rise to the recognition of an additional unit of benefit entitlement, and each unit is measured separately to obtain the final obligation. The final obligation is then discounted and subjected to probability analysis.

These calculations comprise the following main points:

- an assumed voluntary retirement age of 67 years for executive staff and 62 years for non-executive staff;
- a financial discount rate of 0.40%;
- an inflation rate of 1.50%;
- assumptions relating to salary increases, mortality and staff turnover rates.

At 31 December 2020, the pension commitments were valued at €2,628 thousand.

## 2.10 Revenue

Income from work undertaken on a cost reimbursement basis is recorded as and when the work is completed. Services not yet invoiced are recorded as unbilled work. Services invoiced but not yet performed are recorded as deferred revenue.

Fixed-price contracts that span more than one financial year are accounted for using the percentage of completion method. The stage of completion is determined by comparing the costs incurred at closing with the total expected costs over the term of the contract. The total costs of a contract, in particular those still to be incurred, are regularly monitored and estimated to determine whether the stage of completion of the contract and the level of margin to be recognised need to be revised. When the amount of foreseeable costs incurred for the completion of a contract is likely to result in a loss on completion, a provision for liability is made in the estimated amount of the loss at year-end. No loss on completion has been recorded to date.

## 2.11 Employee profit-sharing

An agreement to delegate the administrative and financial management of the employee savings plan has been entered into with AXA.

### 2.1.2 Extraordinary income

Extraordinary income is generated as a result of unusual events or transactions either separate from the business or not considered likely to occur frequently or regularly.

In accordance with French National Accounting Council (CNC) Notice No. 2000-D of 21 December 2000, in the event of a failed acquisition transaction, the costs incurred shall be fully and directly recorded as extraordinary expenses.

## NOTE 3 – INFORMATION ON THE BALANCE SHEET

### 3.1 Intangible and tangible assets

#### Movements affecting fixed asset items

<i>In thousands of euros</i>	Gross value at the beginning of the year	Net acquisitions during the year	Transfers between items	Disposals over the year	Gross value at year-end
Research and development costs	-				-
Software and trademarks	4,685	37	941		5,663
Goodwill	47,419				47,419
Other intangible assets	348				348
Assets in progress	376	565	(941)		-
<b>Subtotal</b>	<b>52,828</b>	<b>602</b>	<b>-</b>	<b>-</b>	<b>53,430</b>
Machinery, tools and equipment	-				-
Fixtures and fittings	4,096	111			4,207
Transportation equipment	4				4
Office and IT equipment	6,485	436			6,921
Office furniture	2,030	57			2,087
Advance payments on fixed assets	-				-
<b>Subtotal</b>	<b>12,615</b>	<b>604</b>	<b>-</b>	<b>-</b>	<b>13,218</b>
<b>Total</b>	<b>65,443</b>	<b>1,205</b>	<b>-</b>	<b>-</b>	<b>66,648</b>

#### Amortisation and provision

Depreciation and amortisation are calculated based on the estimated useful life of the assets, in accordance with the conditions set out in Sections 2.2.1 and 2.2.2 above. The following table presents, for each category of intangible and tangible assets, the amount of depreciation and amortisation recorded in 2020:

<i>In thousands of euros</i>	Value at the beginning of the year	Charges	Reversals	Value at year-end
Research and development costs	-			-
Software and trademarks	4,611	156		4,768
Goodwill	34,124			34,124
Other intangible assets	348			348
Assets in progress	-			-
<b>Subtotal</b>	<b>39,083</b>	<b>156</b>	<b>-</b>	<b>39,240</b>
Machinery, tools and equipment	-			-
Fixtures and fittings	2,593	201		2,794
Transportation equipment	4			4
Office and IT equipment	4,217	1,228		5,446
Office furniture	1,051	127		1,178
Advance payments on fixed assets	-			-
<b>Subtotal</b>	<b>7,865</b>	<b>1,557</b>	<b>-</b>	<b>9,422</b>
<b>Total</b>	<b>46,948</b>	<b>1,713</b>	<b>-</b>	<b>48,662</b>

## 3.2 Financial assets

### 3.2.1 Changes in financial assets

#### a) Movements affecting fixed asset items

<i>In thousands of euros</i>	Gross value at the beginning of the year	Increases	Decreases	Transfers between items	Gross value at year-end
Merger losses on financial assets	8,416				8,416
Security deposits	1,026	6	14		1,018
Other loans <sup>(1)</sup>	9,603		1,650		7,953
Equity securities	205,063	28,742	1,227	-	232,578
Devoteam Belgium	7,146				7,146
Devoteam Fringes	1,352				1,352
Devoteam Netherlands	20,519				20,519
Devoteam Consulting	27,618				27,618
Devoteam Consulting AS	11,357				11,357
Devoteam UK	3,568				3,568
Devoteam Middle East	3,466				3,466
Devoteam Outsourcing	2,908				2,908
Devoteam Czech Republic <sup>(2)</sup>	5	1,633			1,638
Devoteam Morocco	3,499				3,499
Devoteam Italy	20				20
Devoteam Services	8				8
Devoteam Tunisia	8				8
Devoteam Information Technology and Consultancy AS <sup>(3)</sup>	2,665	141			2,805
Devoteam GmbH	11,975				11,975
Exa ECS	1,050				1,050
Devoteam SA Poland	4,936				4,936
Fornebu Consulting AS	9,696				9,696
Siticom GmbH	100				100
Devoteam Consulting Holding	3,001				3,001
Steam Management	500				500
Keivox Enterprise Mobility	65				65
RVR Parad	1				1
Inflexsys	28				28
Axance	2,860				2,860
Siticom	2,575				2,575
Devoteam G Cloud	10,207				10,207
Be Team	184				184
DPI <sup>(4)</sup>	3,625	1,872			5,496
Devoteam Business Service Excellence	220				220
Devoteam Cloud Services Spain	140				140
Technologies & Opérations <sup>(5)</sup>	106	518			624
DFSJ	450				450
Fi-Makers	167				167
Devoteam Globicon <sup>(6)</sup>	2,989	194			3,183
Devoteam Consulting Belgium	270				270
My-G	295				295
Myfowo.com	46				46
Energy Dynamics <sup>(7)</sup>	9		9		-
D2SI	11,266				11,266
Devoteam NexDigital	188				188
Devomex Cloud Services	2				2
Alegri International Service GmbH	24,713				24,713
Bold International <sup>(8)</sup>	7,045	999			8,044
Bold Wealth <sup>(9)</sup>	10	1			11
Sädesmagasinet Förvaltnings AB	6,788				6,788
Devoteam Cloud Services NO (formerly Avalon Solutions AS Norway)	6,175				6,175
MEL	7,767				7,767
Devoteam G Maps <sup>(10)</sup>	259	142			401
TMNS GmbH <sup>(11)</sup>	1,218		1,218		-
Inviso APS <sup>(12)</sup>	-	8,636			8,636
Inviso Software by Devoteam APS <sup>(13)</sup>	-	17			17
Fourcast Group <sup>(14)</sup>	-	7,512			7,512
Slag Management <sup>(15)</sup>	-	1,076			1,076
Ysance <sup>(16)</sup>	-	6,000			6,000
Investment-related receivables <sup>(17)</sup>	128	4,419	9		4,539
Treasury shares <sup>(18)</sup>	400				400
<b>Total</b>	<b>224,638</b>	<b>33,167</b>	<b>2,900</b>	<b>-</b>	<b>254,905</b>

- (1) These movements essentially relate to loans granted to the Group's subsidiaries.  
At the end of the year, the value of these loans breaks down as follows:  
Group Loans: DPI for €3,540 thousand, Drago Solution SAU for €870 thousand and Axance for €3,078 thousand;  
Loans to non-Group companies: €465 thousand.
- (2) Additional acquisition of 15% of the shares in Devoteam Czech Republic.
- (3) Movement related to the payment of the Devoteam Information Technology and Consultancy AS put.
- (4) Additional acquisition of 11.96% of the shares in DPI.
- (5) Additional acquisition of 3.53% of the shares in Technologies & Opérations.
- (6) Movement linked to the adjustment of the Globicon earn-out.
- (7) Total disposal of Energy Dynamics shares.
- (8) Additional acquisition of 3% of the shares in Bold International.
- (9) Additional acquisition of 3% of the shares in Bold Wealth.
- (10) Additional acquisition of 10% of the shares in Devoteam G Maps.
- (11) Internal sale of TMNS GmbH shares to Devoteam Czech Republic.
- (12) Acquisition of 70% of the shares in Inviso APS.
- (13) Acquisition of 70% of the shares in Software by Devoteam APS.
- (14) Acquisition of 70% of the shares in Fourcast Group.
- (15) Acquisition of 75% of the shares in Slag Management.
- (16) Acquisition of 100% of the shares in Ysance.
- (17) Dividends receivable from Devoteam Middle East for €3,531 thousand, Fornebu Consulting AS for €478 thousand, Devoteam Technology Consulting for €181 thousand, Devoteam UK for €169 thousand, Devoteam Tunisia for €80 thousand and Devoteam Italy for €60 thousand.
- (18) Number of shares: 43,913; average purchase price: €9.12. As the average share price in December stood at €99.45, no provision for impairment of treasury shares was recognised at the closing date.

The following transactions affecting the treasury shares were carried out over the course of the financial year:

	Quantity	Value (€ thousands)
Balance at 01/01/2020	43,913	400
Purchase of shares	-	-
Sale of shares	-	-
<b>Balance at 31/12/2020</b>	<b>43,913</b>	<b>400</b>

## b) Provisions

In thousands of euros	Value at the beginning of the year	Charges	Reversals	Value at year-end
Equity securities <sup>(1)</sup>	20,480	20,827	5	41,302
Loans	465			465
Treasury shares	-			-
<b>Total</b>	<b>20,945</b>	<b>20,827</b>	<b>5</b>	<b>41,767</b>

(1) These movements concern the valuation of equity securities using the method described in Section 2.3.1.

Allocations: Devoteam Alegri for €13,130 thousand, Devoteam Consulting for €4,590 thousand, Devoteam Netherlands for €2,428 thousand, Devoteam Cloud Services NO (formerly Avalon Solutions AS Norway) for €385 thousand and Devoteam ITC for €294 thousand.

Reversals: Exa ECS for €5 thousand.

The provision at year-end can be broken down as follows: Devoteam Alegri for €19,026 thousand, Devoteam SA Poland for €4,936 thousand, Devoteam Consulting for €4,590 thousand, Devoteam Morocco for €3,499 thousand, Devoteam Outsourcing for €2,908 thousand, Devoteam Netherlands for €2,428 thousand, Devoteam ITC for €2,242 thousand, Exa ECS for €948 thousand, Devoteam Cloud Services NO (formerly Avalon Solutions AS Norway) for €385 thousand, Devoteam Business Service Excellence for €220 thousand, Keivox Enterprise Mobility for €65 thousand, MyFowo.com for €46 thousand and Devoteam Services Morocco for €8 thousand.

### 3.2.2 Table of subsidiaries and investments

The following information is presented to satisfy the requirements for the list of subsidiaries and investments (Article of the Decree of 23 March 1967) and is valid at 31 December 2020:

In thousands of euros	Share capital	Share of capital held	Gross carrying amount of shares held	Net carrying amount of shares held	Loans and advances granted - not repaid	Guarantees and pledges made by the Company	Dividends received by the Company during the year
Devoteam Belgium	6,065	99.71%	7,146	7,146	-	-	-
Devoteam Fringes	60	100%	1,352	1,352	-	-	700
Devoteam Netherlands	20	80%	20,519	18,091	7,550	-	1,600
Devoteam Consulting	902	80.20%	27,618	23,028	-	-	-
Devoteam Consulting AS	67	90%	11,357	11,357	-	-	2,293
Devoteam UK	13	95.60%	3,568	3,568	3,029	-	253

Devoteam Outsourcing	38	100%	2,908	-	15	-	-
Devoteam Middle East	214	76%	3,466	3,466	-	-	1,630
Devoteam Czech Republic	8	90%	1,638	1,638	-	-	1,144
Devoteam Morocco	37	51%	3,499	-	1,025	-	308
Devoteam Italy	100	20%	20	20	-	-	-
Devoteam Services	9	100%	8	-	457	-	-
Devoteam Tunisia	15	75%	9	9	240	-	-
Devoteam ICT AS	79	100%	2,805	563	134	-	-
Devoteam GmbH	3,000	100%	11,974	11,974	-	-	-
Exa ECS	150	35%	1,050	101	69	-	-
VoxPilot	5,219	100%	-	-	394	-	-
Devoteam SA Poland	1,001	100%	4,936	-	7,367	-	-
Fornebu Consulting AS	19	100%	9,696	9,696	-	-	478
Siticom GmbH	286	35%	100	100	502	-	-
Devoteam Consulting Holding	3,000	100%	3,001	3,001	-	-	16,575
Steam Management	500	100%	500	500	-	-	-
Keivox Enterprise Mobility	129	36%	65	-	246	-	-
RVR Parad	50	95%	1	1	-	-	119
Inflextsys	188	8%	28	28	-	-	-
Axance	111	25.52%	2,860	2,860	3,078	-	383
Siticom	150	78.47%	2,575	2,575	-	-	-
Devoteam G Cloud	300	100%	10,207	10,207	-	-	-
Be Team	278	61.20%	184	184	-	-	-
Technologies & Opérations	150	74%	624	624	-	-	-
Fi-Makers	250	66.96%	167	167	-	-	-
DPI	1,467	100%	5,496	5,496	3,540	-	-
Devoteam Business Service Excellence	300	73.33%	220	-	100	-	-
Devoteam Cloud Services Spain	203	68.97%	140	140	-	-	-
DFSJ	1,000	45%	450	450	335	-	-
Devoteam Globicon	75	90%	3,183	3,183	-	-	1,985
Devoteam Consulting Belgium	100	60%	270	270	-	-	-
My-G	50	100%	295	295	-	-	-
Myfowo.com	1,080	99.73%	46	-	320	-	-
D2SI	35	82.06%	11,266	11,266	-	-	821
Devoteam NexDigital	290	75%	188	188	1	-	-
Devomex Cloud Services	2	98%	2	2	420	-	-
Alegri International Service GmbH	60	100%	24,713	5,687	5,055	-	-
Bold International	63	61%	8,044	8,044	-	-	290
Bold Wealth	-	61%	11	11	-	-	-
Sädesmagasinet Förvaltnings AB	5	75.01%	6,788	6,788	5,549	-	-
Devoteam Cloud Services NO (formerly Avalon Solutions AS Norway)	10	87.50%	6,175	5,790	1,853	-	-
MEL	783	78.99%	7,767	7,767	-	-	-
Devoteam G Maps	50	80%	401	401	-	-	-
Inviso APS	7	70%	8,636	8,636	-	-	-
Inviso Software by Devoteam APS	7	70%	17	17	-	-	-
Fourcast Group	1,275	70%	7,512	7,512	-	-	-
Slag Management	45	75%	1,076	1,076	-	-	-
Ysance	100	100%	6,000	6,000	-	-	-

Certain information about the subsidiaries and investments is not provided given the potentially harmful effects of its disclosure.

### 3.3 Additional information on receivables and payables

The following is a breakdown of receivables and payables according to their remaining period to maturity:

Receivables <i>In thousands of euros</i>	Gross amount	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in more than 5 years
<b>Fixed asset receivables</b>				
Investment-related receivables <sup>(1)</sup>	4,499	4,499	-	-
Loans <sup>(2)</sup>	7,953	2,096	5,858	-
Other financial assets <sup>(3)</sup>	9,834	-	-	9,834
<b>Current asset receivables</b>				
Advances and prepayments made	19	19	-	-
Trade and other receivables	69,919	69,919	-	-
Other receivables <sup>(4)</sup>	11,754	11,754	-	-
Group and associated company's current accounts	37,655	37,655	-	-
Prepaid expenses	3,830	3,830	-	-
<b>Total</b>	<b>145,464</b>	<b>129,771</b>	<b>5,858</b>	<b>9,834</b>

Payables <i>In thousands of euros</i>	Gross amount	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in more than 5 years
Bonds	30,446	30,446	-	-
Borrowings from credit institutions	49	49	-	-
Miscellaneous borrowings <sup>(5)</sup>	62,579	62,579	-	-
Trade payables	31,670	31,670	-	-
Tax and social security liabilities	41,291	41,291	-	-
Fixed asset liabilities	39	39	-	-
Other debts <sup>(6)</sup>	10,651	10,651	-	-
Deferred income	14,442	14,442	-	-
<b>Total</b>	<b>191,167</b>	<b>191,167</b>	<b>-</b>	<b>-</b>

(1) Of which €4,499 thousand of dividends to be received from affiliated companies.

(2) Of which €7,488 thousand for loans to affiliated companies.

(3) Of which €8,416 of merger losses on financial assets from the complete transfer of the assets of the holding company Marflie Management to Devoteam SA in 2018.

(4) Of which €1,421 thousand in guarantee deposits on receivables sold to the factor and €1,149 thousand in receivables on disposal of financial assets.

(5) Of which €62,473 thousand in current account advances granted by related companies.

(6) Of which €1,912 thousand of earn-out liabilities.



### 3.4 Provisions

The following table sets out changes in provisions and their amounts broken down by category:

<i>In thousands of euros</i>	At 1 January 2020	Charges	Reversals (provision used)	Reversals (provision not used)	Transfers between items	At 31 December 2020
<b>Provisions</b>						
Provisions for foreign exchange losses	343	392	343			392
Provisions for retirement benefits	2,430	198				2,628
Provisions for restructuring	-					-
Miscellaneous provisions <sup>(1)</sup>	3,627	3,888	271	932		6,311
<b>TOTAL</b>	<b>6,400</b>	<b>4,478</b>	<b>614</b>	<b>932</b>	<b>-</b>	<b>9,330</b>
<b>Provisions for impairment</b>						
Provisions for marketable securities	-					-
Provisions for current accounts <sup>(2)</sup>	8,703	13		48		8,668
Provisions for doubtful receivables	401	299	86	45		569
<b>TOTAL</b>	<b>9,104</b>	<b>312</b>	<b>86</b>	<b>93</b>	<b>-</b>	<b>9,237</b>

(1) Concerns provisions for various risks and litigation related to operating activities.

(2) Allocations: Devoteam Business Service Excellence for €13 thousand.

Reversals: Devoteam SA Poland for €32 thousand, MyFowo.com for €15 thousand and Devoteam Services for €1 thousand.

The provisions at year-end breaks down as follows: Devoteam SA Poland for €7,367 thousand, Devoteam Services for €456 thousand, Voxpilot for €394 thousand, Keivox for €246 thousand, Media-Tel LLC for €150 thousand and Devoteam Business Service Excellence for €55 thousand.

#### Contingent liabilities

When it acquired Wola Info (now Devoteam Poland) in 2010, Devoteam SA granted a put option on 38.4% of the remaining capital. Wola's actual net position – and the company's overall condition in general – was deliberately concealed by the sellers. Devoteam SA took them to court, refusing to recognise the put option which had been exercised in the meantime.

In May 2018, a Polish court in the first instance ordered Devoteam SA to pay €1.5 million in execution of the put option as well as late payment penalties and legal costs for a total amount of €4.2 million, i.e. approximately three times the principal and already including a 50% reduction of the contractual penalties. Devoteam SA immediately appealed the judgment. In agreement with its counsel, Devoteam SA believed it had a solid case, particularly regarding the disproportionate nature of the penalties for delay compared with the principal amount (favourable decisions by the court of cassation in the past). As the health crisis significantly slowed down the judicial system in Poland, no hearing was held concerning this dispute in 2020.

### 3.5 Accrued expenses

<i>In thousands of euros</i>	2020
Supplier invoices not yet issued	3,809
Credit notes to be prepared	6,954
Personnel - accrued expenses	12,799
Social security bodies - accrued expenses	6,030
State - accrued expenses	582
Interest accrued on bonds	446
Interest accrued on other loans	40
Interest accrued on miscellaneous borrowings	6
<b>Total</b>	<b>30,666</b>

### 3.6 Accrued income

<i>In thousands of euros</i>	2020
Accrued interest receivable	1
Client invoices to be issued	12,736
Statement of accrued income	110
<b>Total</b>	<b>12,847</b>

### 3.7 Marketable securities

#### 3.7.1 Treasury shares

Treasury shares were bought and earmarked for allocation to employees as part of the free share and share purchase option plan. For this reason, these shares are not available.

The following transactions affecting the treasury shares were carried out over the course of the financial year:

	Quantity	Value (€ thousands)
<b>Balance at 01/01/2020</b>	<b>94,719</b>	<b>863</b>
Movements during the year	-	-
<b>Balance at 31/12/2020<sup>(1)</sup></b>	<b>94,719</b>	<b>863</b>

(1) Of which 94,543 shares with a total value of €862 thousand classified as "Shares to be granted to employees".

The Company was first listed on 28 October 1999 with a share price of €16.10. On 31 December 2020, the average price of Devoteam shares was €99.45. No provision for amortisation had been made at year-end.

#### 3.7.2 Other marketable securities

They correspond to term deposits with leading banks for an amount of €10,000 thousand.

### 3.8 Deferred charges

None.

### 3.9 Net position

#### 3.9.1 Share capital

At 31 December 2020, the share capital of Devoteam SA was made up of 8,332,407 ordinary shares representing a total of €1,263,015.

Below is a summary of the changes recorded in 2020:

	Number of shares
<b>At 1 January 2020</b>	<b>8,332,407</b>
Exercise of BSPCE and share subscription options	-
<b>At 31 December 2020</b>	<b>8,332,407</b>

At 31 December 2020, there were no longer any dilutive instruments in circulation.

### 3.9.2 Analysis of changes in equity

The change in net position over the 2020 financial year is as follows:

<i>In thousands of euros</i>	Beginning of the year	Approp. of 2019 earnings	Capital increase	Capital decrease	Other changes	Dividends distributed	2020 earnings	Year-end
Share capital	1,263							1,263
Share premium	1,934							1,934
Legal reserve	160							160
Other reserves	-							-
Gain on merger	50,999							50,999
Retained earnings (credit balance)	119,287	25,682						144,969
Profit (loss) for FY 2019	25,682	(25,682)						-
Profit (loss) for FY 2020	-						10,718	10,718
Other regulated provisions*	904				227			1,131
<b>Equity</b>	<b>200,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227</b>	<b>-</b>	<b>10,718</b>	<b>211,175</b>

\* Accelerated depreciation on the acquisition cost of securities.

## NOTE 4 - INFORMATION ON THE INCOME STATEMENT

### 4.1 Breakdown of net revenue

The breakdown of revenue by geographical area is presented below:

<i>In thousands of euros</i>	2020
France	278,105
International	14,630
<b>Total</b>	<b>292,736</b>

The Company operates in only one industry segment.

### 4.2 Incentives

No incentive agreement was established during the 2020 financial year.

### 4.3 Employee profit-sharing

There is no employee profit-sharing due to insufficient taxable income compared to the amount of equity at year-end.

### 4.4 Financial income and expenses

The main components of financial income and expenses are as follows:

<i>Financial expenses (in thousands of euros)</i>	2020
Provisions for financial assets <sup>(1)</sup>	20,827
Provisions for treasury shares	-
Provisions for current assets <sup>(2)</sup>	405
Provisions for financial risks	-
Losses on investment-related receivable	-
Investment-related expenses	146
Interest on finance transactions <sup>(3)</sup>	1,330
Other financial expenses	153
<b>Total</b>	<b>22,861</b>

Financial income (in thousands of euros)	2020
Net income from the sale of marketable securities	-
Financial income from capitalisation contracts	-
Investment-related income <sup>(4)</sup>	33,694
Reversal of provisions on financial assets <sup>(1)</sup>	5
Reversal of provisions on treasury shares	-
Reversal of provisions on current assets <sup>(5)</sup>	48
Reversal of provisions on liabilities and charges <sup>(6)</sup>	391
Other financial income	167
<b>Total</b>	<b>34,306</b>

(1) These movements concern the valuation of equity securities using the method described in Section 2.3.1.

(2) Of which €13 thousand in provisions for impairment on subsidiary current accounts.

(3) Of which €975 thousand in interest expenses on bonds.

(4) Of which €32,997 thousand in dividends received from subsidiaries and €506 thousand in interest received from subsidiaries on current account loans and advances.

(5) Of which €48 thousand in reversal of provisions for impairment on current accounts.

(6) Of which €48 thousand in reversals of provisions for subsidiary liabilities.

#### 4.5 Extraordinary income and expenses

The main components of extraordinary income and expenses are as follows:

Operating expenses (in thousands of euros)	2020
On management transactions <sup>(1)</sup>	136
On capital transactions <sup>(2)</sup>	1,227
Exceptional provision for liabilities <sup>(3)</sup>	2,834
<b>Total</b>	<b>4,197</b>

(1) Of which €136 thousand of restructuring costs corresponding to dismissal and support costs.

(2) Of which €1,227 thousand from the sale of equity securities.

(3) Of which €30 thousand in provisions for redundancy costs, €2,577 thousand relating to the dispute with minority shareholders in Poland and €227 thousand in accelerated depreciation allowances.

Operating income (in thousands of euros)	2020
On management transactions	-
On capital transactions <sup>(1)</sup>	603
Exceptional reversal of provisions for liabilities <sup>(2)</sup>	836
<b>Total</b>	<b>1,439</b>

(1) Of which €603 thousand from the sale of equity securities.

(2) Of which €175 thousand in reversals of provisions for restructuring in respect of redundancy and support costs, and €661 thousand in reversal of provisions for miscellaneous risks. The charges were recorded under extraordinary expenses.

#### 4.6 Increases and decreases in deferred tax liabilities

Nature of differences	Tax Basis		Tax*	
	Start of the year	Year-end	Start of the year	Year-end
Organic	426	426	136	121
Construction effort	407	386	130	110
Unrealised gains on marketable securities	-	-	-	-
Foreign currency translation differences – liabilities	111	364	36	103
Provisions for pensions and retirement benefits	2,430	2,628	628	679
Provisions for Group current accounts	8,703	8,668	2,248	2,239
Provisions for miscellaneous risks	845	2,973	271	845
Incentives and profit-sharing	-	-	-	-
<b>Total relief</b>	<b>12,922</b>	<b>15,445</b>	<b>3,449</b>	<b>4,097</b>
<b>Total increase</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* In accordance with the 2018 Finance Act which provides for a gradual reduction in corporate income tax rates, the tax rate used for "Provisions for pensions and retirement benefits" and "Provisions for Group current accounts" items is 25.825%.

For all other items, the corporate income tax rate used is 28.408%.

#### 4.7 Breakdown of tax

Earnings before tax		Taxes payable		Profit for the year
Recurring	15,323	2,828		12,793
		(298)	Tax credit	
Short-term extraordinary	(2,758)	(683)		(2,075)
<b>Total</b>	<b>12,565</b>	<b>1,847</b>		<b>10,718</b>

Recurring profit after tax is that which would have been obtained without any extraordinary income. The tax restatements have been split between recurring and extraordinary income. The tax credits essentially come from personnel expenses that are eligible for research tax credits and those linked to the expertise-philanthropy programme.

#### 4.8 Tax consolidation

##### 4.8.1 Tax consolidation scope

The Company has, with effect from 1 January 2004, opted for the French tax consolidation regime. As such, the companies that form part of this consolidation group as at 31 December 2020 are as follows:

Name	Siren No.	Date of entry	Type
Devoteam SA	402 968 655	01/01/2004	Parent company
Devoteam Outsourcing SAS	443 486 667	01/01/2011	Subsidiary
RVR Parad SAS	752 364 851	01/01/2016	Subsidiary
Devoteam G Cloud SAS	512 085 036	01/01/2017	Subsidiary
Steam Management SAS	539 263 657	01/01/2018	Subsidiary
MyFowo.com SAS	493 895 296	01/01/2018	Subsidiary

##### 4.8.2 Income tax for the financial year

In accordance with the tax consolidation agreement between the parties, the additional tax expense generated in respect of the 2020 financial year as a result of this tax consolidation is recorded on the Company's income statement in the amount of €291 thousand. The tax expense for the year, calculated on the taxable profits of the tax consolidation group, amounts to €4,301 thousand.

##### 4.8.3 Consequences of the deconsolidation by the Group of one of the consolidated companies

The consolidating company shall be solely liable for the additional tax that it may need to pay in the event of the deconsolidation of one of the consolidated companies. Advance tax payments that the company may need to pay on behalf of the deconsolidated subsidiary during the 12 months following the beginning of the year of deconsolidation, shall be repaid to it by the deconsolidated subsidiary within the same time periods as those applicable to the consolidating company. This repayment shall not exceed the amount of advance payments determined on the basis of the taxable income. In the event of a tax audit on the financial years during which the deconsolidated subsidiary was a member of the Group, the former shall repay to the consolidating company any tax surcharges and/or penalties for late payment that it would have owed had it been taxed separately.

## NOTE 5 - COMMITMENTS RECEIVED OR GIVEN

### 5.1 Commitments received

The shareholders' agreements with the following subsidiaries and investments provide for call options under which Devoteam SA may acquire additional shares at market price or based on performance conditions. The table below summarises the options available:

Company	% of share capital	Exercisability
Devoteam Consulting Belux (BE)	25.00%	Immediate
Devoteam Consulting AS	10.00%	From 01/01/2021
Devoteam Globicon AS	10.00%	From 01/01/2021
Siticom	21.53%	Immediate for 13.53% of the share capital and from 01/01/2021 for the balance
Devoteam G Maps	20.00%	Immediate
Technologies & Opérations	26.00%	Immediate
Devoteam Customer Effectiveness	28.47%	Immediate
Fi-Makers	33.04%	Immediate
D2SI	17.94%	From 31/12/2021
Devoteam NexDigital	35.34%	Immediate
Devoteam Italy	50.00%	Immediate
Devoteam Netherlands*	20.00%	From 01/01/2021 for 50%, from 01/01/2022 for 25% and from 01/01/2023 for the remainder
Bold International*	16.00%	From 01/01/2022 for one half and from 01/01/2023 for the remainder. Possibility of carryforward.
Jayway*	24.99%	From 01/01/2021 for one third, from 01/01/2022 for one third and 01/01/2023 for the rest, with possibility of one year carryforward
Avalon Solutions	12.50%	From 01/01/2023 with possibility of one year carryforward
Devoteam Czech Republic	10.00%	From 01/01/2025
Inviso	30.00%	33% annually from 01/01/2023
Fourcast*	30.00%	From 01/01/2025

\* The minority shareholders also have a put option on their shares.

### 5.2 Commitments given

#### 5.2.1 Options granted to employees

Share purchase options, founders' warrants (Bons de souscription de parts de créateurs d'entreprise - BCE), free performance shares (Actions gratuites de performance - AGAP) and warrants to acquire existing redeemable shares (Bons d'acquisition d'actions existantes remboursables - BAAER) have been granted to Group employees. As of 31 December 2019, only 38,061 free performance shares were outstanding, as detailed below:

Date of plan	Granted	Number of options outstanding at 31/12/2020	Number of options outstanding at 31/12/2019	Exercise price	Earliest exercise date	Expiry date	Zero coupon rate
04/09/2017	50,000	38,061	43,161	-	01/03/2021	01/03/2021	1%
<b>Total</b>	<b>50,000</b>	<b>38,061</b>	<b>43,161</b>				

The changes to the option plans are summarised in the table below:

	2020		2019	
	Number of options	Average exercise price	Number of options	Average exercise price
<b>Number of shares available for subscription at beginning of year</b>	<b>43,161</b>	<b>0€</b>	<b>220,300</b>	<b>1.36€</b>
Number of options cancelled during the year	5,100	0€	41,512	1.36€
Number of options exercised during the year	0	-	135,627	0.40€
Number of options issued during the year	0	-	0	-
<b>Number of shares available for subscription at year-end</b>	<b>38,061</b>	<b>0€</b>	<b>43,161</b>	<b>0€</b>

Devoteam SA does not recognise any liability in respect of its commitment to deliver shares under the stock option plans and BAAER. All of these option plans are hedged by shares previously reclassified at a price lower than the exercise price of the options (see Note 3.7.1).

#### 5.2.2 Interest rate hedging instruments

No interest rate hedging instruments were in place at 31 December 2020.

### 5.2.3 Commitments linked to factoring

In December 2013, the Company entered into a factoring agreement, of unlimited duration, with the credit institution BNP Paribas Factor, for a total authorised amount of €40,000 thousand. The agreement is based on the periodic transfer of the balance of factored receivables accepted by the *factor*. To be eligible, commercial receivables must be certain, liquid and due, and have an initial credit period of no more than 60 days, in accordance with current legislation. In the case of a contract with a management and collection mandate, Devoteam remains responsible for all transactions necessary to ensure the payment of the receivables transferred into an account opened in the name of the *factor*. The sum of receivables transferred and not collected at the end of the period stood at €12,129 thousand.

### 5.2.4 Agreement to support the public tender offer for the Company's shares, initiated by Castillon SAS

In the context of the tender offer initiated by Castillon SAS for the Company's shares, an offer support agreement was entered into between the Company and Castillon on 9 July 2020. The Support Agreement provides, in particular, for an undertaking by the Company to subscribe, at the request of Castillon SAS, to a credit facility as well as an undertaking to indemnify the Company by Castillon SAS, the terms of which will be negotiated in good faith, in the event that the terms of the senior credit agreement, assessed globally, are less favourable for the Company than its existing financing lines. A detailed description of the content of the Support Agreement can also be found in the prospectus filed by Castillon SAS with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on 13 October 2020, bearing visa no. 20-504, and available on the Group's website.

### 5.2.5 Other commitments given

The guarantees given by Devoteam SA mainly concern its subsidiaries. The main securities, guarantees and warranties given by Devoteam SA to its subsidiaries guarantee ongoing rental commitments, commitments to suppliers and bank lines of credit:

Guarantees given	Amount	Type
<b>Subsidiary</b>		
Devoteam ITC AS Turkey	55	Guarantees on bank lines of credit
Devoteam Morocco	400	Guarantees on bank lines of credit
Devoteam Services Morocco	200	Guarantees on bank lines of credit
Devoteam Middle East	6,213	Guarantees on bank lines of credit
Devoteam Consulting AS Denmark	764	Guarantees on bank lines of credit
Devoteam GmbH Germany	1,030	Guarantees on bank lines of credit
Devoteam Luxembourg	150	Guarantees on bank lines of credit
<b>Total subsidiary guarantees</b>	<b>8,812</b>	
<b>Other</b>		
Devoteam GmbH Germany	80	Supplier guarantees
Devoteam Foundation	30	Subsidy payment commitment
<b>Total other guarantees</b>	<b>110</b>	
<b>Total guarantees given</b>	<b>8,922</b>	

These guarantees are given in the normal course of business of our subsidiaries. They are mainly meant to guarantee the local banking credit lines with an indefinite duration, as well as supplier guarantees. At the end of the financial year, all of our guaranteed subsidiaries are in a position to fulfil their commitments and, as such, the risk of being called upon remains low.

In addition, pursuant to Article 479A of the UK Companies Act 2006, Devoteam SA guarantees the liabilities of its British subsidiaries Devoteam UK Limited and TMNS Digitalisation Services Limited at 31 December 2020.

Certain acquisition contracts provide for earn-outs subject to financial performance (revenue, operating margin) and/or criteria linked to the Devoteam consolidation group. These commitments are recognised as soon as their payment becomes likely. At 31 December 2020, all earn-outs have been recorded.

## NOTE 6 - MISCELLANEOUS INFORMATION

### 6.1 Breakdown of the workforce

During the 2020 financial year, the average workforce was 1,761 employees. This is mainly made up of executive personnel.

## 6.2 Compensation of management and supervisory bodies

The compensation of management bodies for the financial year ended 31 December 2020 amounted to €2,500 thousand. Due to the fact that the members of the Management Board are not linked to the Company via an employment contract, there is no commitment made in respect of their pensions.

With regard to the Supervisory Board, the amount of directors' fees recognised in 2020 was €140 thousand for nine members.

## 6.3 Individual training account

French Act No. 2014-288 of 5 March 2014 on vocational training, employment and social democracy introduced, with effect from 1 January 2015, the Individual Training Account (Compte personnel de formation - CPF) which replaces the previous Individual Right to Training (Droit individuel à la formation - DIF). The new scheme means that every employee has the right, throughout their career, to 20 hours of training per year, up to 120 hours, then 12 hours per year up to a maximum of 150 hours. Rights acquired under DIF to 31 December 2014, but not yet used, may be used under the new CPF until 31 December 2020.

## NOTE 7 - EVENTS SUBSEQUENT TO YEAR-END

On 24 February 2021, the Group acquired, through its subsidiary in Spain, 70% of the Spanish group Nubalia, a leader in the integration of Google Cloud solutions in Iberia. The company has approximately 50 employees and generated revenue of approximately €4.1 million in its last financial year (estimated after application of IFRS 15).



#### 4.4 Statutory Auditors' report on the annual financial statements

*This is a free translation into English of the statutory auditors' report on the annual financial statements of the SOCIETE DEVOTEAM issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Financial year ended 31 December 2020

To the General Meeting of Shareholders of Devoteam SA,

#### **Opinion**

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying Devoteam SA annual financial statements for the year ended 31 December 2020.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities, the financial position of the Company and the results of its operations for the year ended, in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

#### **Basis of opinion**

##### ***Auditing framework***

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in the auditing of the annual financial statements" section of this report.

##### ***Independence***

We carried out our audit mission in accordance with the rules of independence set out in the French Commercial Code and the Code of Ethics of the profession of statutory auditor, for the period from 1 January 2020 to the date of our report, and in particular we did not provide any services prohibited by Article 5 (1) of EU Regulation No. 537/2014.

#### **Justification of assessments - Key Audit Matters**

The global crisis related to the COVID-19 pandemic created special conditions for the preparation and audit of this year's accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency entailed multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and teleworking, also affected the internal organisation of companies and the way audits were carried out.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the financial statements for the year, as well as how we addressed said risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion expressed above, and we do not express an opinion on items in these annual financial statements taken individually.

##### Valuation of equity securities

(Sections 2.3.1 and 3.2 of the notes to the annual financial statements)

### *Risk identified*

At 31 December 2020, the equity securities were recognised in the Devoteam SA statutory balance sheet for a net amount of €191,276 thousand. Equity securities are recognised at their acquisition date at acquisition cost and may be impaired on the basis of their value in use.

As stated in Note 2.3.1 “Equity securities”, a provision for impairment is established when the carrying amount of the equity securities is greater than their value in use. This value in use is estimated by executive management, either using the discounted future cash flow method adjusted for net debt, or based on the share of net position.

The estimate of the value in use requires the exercise of judgment by executive management in its choice of the items to be considered, which may correspond, where appropriate, to historical items or to projected items.

At the closing date, executive management ensures that the carrying amount of the equity securities does not exceed their value in use. However, any unfavourable change in the activities related to these investments due to internal or external factors that may be related to the economic and financial environment of the markets in which Devoteam SA operates may significantly affect the value in use of the equity securities and require the recognition of a provision for impairment.

Such a development involves a reappraisal of the relevance of all of the assumptions used for the determination of values in use as well as the reasonableness and consistency of the calculation parameters used.

We consider the valuation of equity securities to be a key audit matter given the significant amount of equity securities in the financial statements and their sensitivity to the assumptions made by executive management.

### *Response given*

Our approach consisted of:

- reviewing and evaluating the process implemented by executive management to estimate value in use;
- for the equity securities for which the value in use is calculated using the discounted cash flow method, adjusted to reflect the cash and/or net debt of the companies in question, assessing the reasonableness of the valuation of the value in use, notably through:
  - interviews with executive management;
  - a comparison of the cash flow projections resulting from the budgetary and forecasting process for the years 2021 to 2024 with the projections used in the impairment test for the previous financial year;
  - a comparison of the 2020 results projections used in the previous financial year’s impairment test with actual results to assess their reliability;
  - an assessment of the reasonableness of the assumptions used in the projections in the light of our knowledge of the economic environment in which the Group operates;
  - an assessment, with the support of our valuation experts, of the reasonableness of the financial parameters used, the model used to determine value in use and the method used to determine the discounting and long-term growth rates;
- for the equity securities for which the value in use is calculated using the share of net position:
  - assessing the appropriateness of the valuation method used,
  - assessing the documentation underlying the valuation of the value in use.

### Recognising revenue for fixed-price contracts

(Section 2.10 of the appendix to the annual financial statements)

### *Risk identified*

The Devoteam Group operates in the professional IT services and innovative technology consultancy market. It provides services through subcontracting or fixed-price contracts.

For fixed-price services, revenue is recognised as the service is rendered according to the stage of completion, which is determined by comparing the costs incurred at closing with the total expected costs over the duration of the contract.

The total costs of a contract, in particular those still to be incurred, are regularly monitored and estimated to determine whether the stage of completion of the contract and the level of margin to be recognised need to be revised.

We considered the accounting treatment relating to the separation of financial years relating to revenue from fixed-price contracts as a key audit matter, as the estimated costs of these contracts are based on operational assumptions and that their estimation has a direct impact on the level of revenue and margin recognised in the annual financial statements.

#### *Response given*

We reviewed the internal control systems related to the recognition of fixed-price contracts.

We tested the effectiveness of the key controls put in place by the management controllers, in particular those relating to the allocation of costs.

For a selection of contracts based on quantitative and qualitative criteria, we performed the following due diligence:

- we reconciled the financial data (revenue, invoicing, costs and work in progress) included in the monitoring sheet for the contract prepared monthly by management control, with the accounting;
- on the basis of interviews with the management controllers and/or operational managers, we assessed the remaining costs to be incurred and the stage of completion of the contract that they have determined and on which the accounting of the revenue figure and the recognition of the margin is based.

#### **Specific verifications**

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by laws and regulations.

#### ***Information provided in the Management Report and in the other documents addressed to the Shareholders with respect to the financial position and the annual financial statements***

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the Management Board's management report and in the other documents addressed to the Shareholders with respect to the financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the annual financial statements of the information relating to payment periods mentioned in Article D. 441-6 of the French Commercial Code.

#### ***Report on corporate governance***

We attest that the report of the Supervisory Board on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

With regard to the information provided pursuant to the provisions of Article L.22-10-9 of the French Commercial Code on compensation and benefits paid or awarded to corporate officers, as well as the commitments granted to them, we verified that they were consistent with those of the financial statements or with the data used to prepare these financial statements and, where applicable, with the information collected by your company from the companies controlled by it that are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

#### ***Other information***

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the Shareholders and holders of the voting rights has been properly disclosed in the Management Report.

#### **Other verifications or information required by laws and regulations**

#### ***Format of the annual financial statements to be included in the annual financial report***

In accordance with III of Article 222-3 of the AMF General Regulation, the management of your company has informed us of its decision to postpone the application of the single electronic information format as defined by Delegated European Regulation No. 2019/815 of 17 December 2018 to the financial years beginning on or after 1 January 2021. As a result, this report does not contain

any conclusions on compliance with this format in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code.

### ***Appointment of the Statutory Auditors***

We were appointed Statutory Auditors of Devoteam SA by the General Meeting of 26 July 1999 for KPMG and 20 June 2014 for Grant Thornton.

As of 31 December 2020, KPMG SA was in the fourth year of its mission without interruption and Grant Thornton in the seventh year.

Moreover, KPMG SA and KPMG Audit IS are members of the KPMG network and were previously Statutory Auditors of the entity from 1999 to 2000 and from 2001 to 2016, respectively.

### **Responsibilities of the executive management and corporate governance officers with respect to the annual financial statements**

It is the responsibility of executive management to prepare annual financial statements that present a true and fair view in accordance with French accounting principles and to implement the internal controls that it deems necessary for the preparation of annual financial statements that are free of material misstatements, whether due to fraud or error.

In the preparation of the annual financial statements, executive management is responsible for evaluating the ability of the company to continue as a going concern, to present in those financial statements, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is planning to wind up the company or cease operations.

The Audit Committee is responsible for overseeing the financial reporting process and monitoring the effectiveness of the internal control and risk management systems and, as applicable, the internal audit with respect to procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Management Board.

### **Responsibilities of the Statutory Auditors with respect to the auditing of the annual financial statements**

#### ***Audit objective and process***

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can consistently detect any significant anomalies. Anomalies may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that readers of the statements take based thereon.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not constitute a guarantee of the viability or quality of the management of your company.

In the context of an audit conducted in accordance with the professional standards applicable in France, Statutory Auditors exercise their professional judgment throughout the audit. In addition:

- they identify and assess the risks that the annual financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and collect items they consider sufficient and appropriate for the formation of their opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement resulting from an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumventing of internal controls;
- they review the internal controls relevant to the audit in order to define appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of the internal controls;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by executive management, as well as the information concerning them provided in the annual financial statements;
- they assess the appropriateness of executive management's application of the going concern accounting policy and, depending on the evidence gathered, the existence or non-existence of significant uncertainties related to events or circumstances that may call into question the company's ability to continue as a going concern. This assessment is based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could

jeopardise the continuity of operations. If they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information provided in the annual financial statements about such uncertainty or, if the information is not provided or is irrelevant, they formulate a qualified certification or a refusal to certify;

- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events such that they give a true and fair view of them.

### ***Report to the Audit Committee***

We submit a report to the Audit Committee that outlines the scope of the audit work and the programme implemented, as well as the conclusions arising from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been the most important for the audit of the annual financial statements for the year, and which therefore constitute the key points of the audit that it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration mentioned in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for the profession of Statutory Auditor. As appropriate, we discuss the risks to our independence and the safeguards applied with the Audit Committee.

### The Statutory Auditors

Paris La Défense, 30 April 2021

KPMG Audit  
*Department of KPMG SA*

Jean-Pierre Valensi  
*Partner*

Neuilly-sur-Seine, 30 April 2021

Grant Thornton  
*French Member of Grant Thornton International*

Vincent Frambourt  
*Partner*

## 5 CORPORATE SOCIAL RESPONSIBILITY REPORT

The Devoteam Group wishes to affirm its commitment by following the guidelines of the Global Reporting Initiative (GRI) which, like the United Nations Global Compact and the Sustainable Development Goals (SDGs), guide the Group's CSR policy.

This report lists the non-financial results for the year 2020. The references to these commitments are indicated in brackets in each chapter and are explained in the appendix to this report. The international scope is mentioned by "the Devoteam Group" and if a scope is specific to a country, it is mentioned Devoteam followed by the country ("Devoteam France" for example).

The year 2020 was a very special year. Indeed, digital services companies (DSC) were affected by the health crisis in several ways:

- certain customer activity sectors are affected, the Group has lost several ongoing or planned projects and suffered early termination of assignments at several customers;
- the introduction of teleworking has an impact on the work-life balance of our employees and on the management of people who are often isolated, sometimes in complex conditions (surrounding noise, lack of space, children to look after);
- this reporting includes indicators that take into account the decline in activity, it will be necessary to wait for a recovery to draw conclusions;
- the logistical difficulty of signing contracts or other administrative documents revealed a lack of digitisation.

This exceptional situation was managed by a centralised crisis unit in France with contacts in each Group country. The crisis unit updated the business continuity plan (BCP) before the first lockdown and the associated deliverables, aligned the business line crisis teams, and harmonised discussions. The deliverables produced were all translated and shared with the countries in order to help them manage the situation according to their regulations.

The Group has rolled out a survey of its customers and employees in France, which has a high level of satisfaction with the Group's crisis management and communications. A weekly meeting, called Morning OPCO, has been set up and has gradually been transformed into a moment of discussion between the directors in France, during which CSR topics are also discussed with the monitoring of legislation on the health crisis. An electronic signature tool was rolled out in France and then internationally and is managed by an international multidisciplinary team. Lastly, this experience prompted management to completely review the prevention plans and the business continuity plan to better anticipate risks, in particular that of a potential attack on IT security, a key issue for DSCs.

### 5.1 Objective no. 1: be committed

*Compliance with all the principles of the Global Compact + SDGs 4, 5, 8, 9, 10, 11, 12, 13.*

#### 5.1.1 Message from the Management Board (GRI: G4-1)

"The Devoteam Group, which heavily promotes the message of digitisation and is thus a driver of change, asserts the importance of being a responsible and supportive corporate citizen. This is why the Devoteam Group commits to creating shared value, offering its customers responsible services whilst encouraging its own employees to behave ethically."

#### 5.1.2 The Devoteam Group values (GRI: G4-56)

The CSR objectives are based on the Devoteam Group's values, particularly with regard to the commitments to the employees and the qualities expected, namely: Respect for others, the Frankness needed to meet market challenges with concrete action and the Passion to develop expertise and talent.



**5.1.3 Business model and NFPS (GRI: G4-2, G4-3, G4-4, G4-7, G4-9)**

To commit, one must first manage one’s risks. The Devoteam business model is set out in Section 2.1.3 of the activity report for the financial year. It was produced from an analysis of the financial and non-financial risks which may impact the performance of the Devoteam Group. These risks are reviewed once every year in order to revise the approach and prepare the Non-Financial Performance Statement (NFPS) with a hierarchy of risks, the main ones of which are listed and explained in Section 2.4.4 of the Management Board’s activity report.

This report presents the mechanisms put in place to mitigate the impact of these risks, and their associated performance indicators.

**5.1.4 The CSR team (GRI: G4-36)**

The QSE/CSR Department reports directly to the General Secretary of the Devoteam Group, thus ensuring a cross-functional position at the highest level.



**Roland de Laage**, Secrétaire Général

**Céline Ferreira**, Directrice QSE & RSE



Michel Kouka Matingou joined the team in early 2021 and will actively participate in the 2021 initiatives.

**5.1.5 Management by community**

The QSE/CSR Department has worked to maintain, despite the situation of 2020 and the distance, the cohesion of the three communities in France, namely:

- SobrilTeam, community of experts who aim to offer more sustainable offers to customers;
- EquilTeam, which supports professional equality at all levels of the organisation;
- CIM (Continuous Improvement Meeting), in charge of compliance, in particular legal, in France and internationally, concerning ethics and information security.

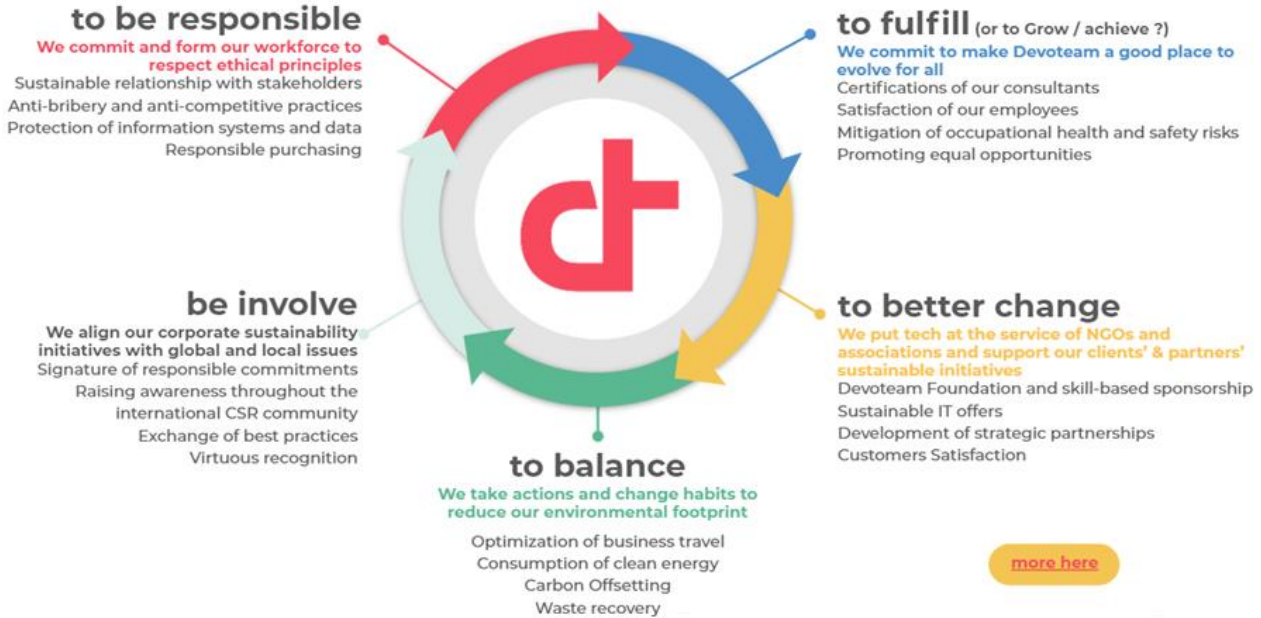
Building on these rich discussions and the initiatives that emerge from this collective dynamic, 2021 will see the creation of a fourth CSR community bringing together volunteer players internationally. It will aim to share best practices and promote local and international initiatives around the pillars of the Group’s CSR policy.



### 5.1.6 A OneDevoteam CSR policy (GRI: G4-56)

The CSR strategy is also aligned with Devoteam’s new Infinite strategic plan. Thus, the Group is consolidating a stated policy around five axes, which will structure this report.

## A single group policy with 5 pillars of commitment



### 5.1.7 Visibility of commitments (GRI: G4-15)

Since its creation, the Devoteam Group has received several awards for its commitment to sustainable development.



- **Most Attractive Employer (Universum)**

In the list of companies preferred by engineering school students, Devoteam has gained two places in the overall ranking compared to 2019, now ranking 113th (62nd for computer science and technology students).



- **Happy trainees**

According to the interns and work-study trainees welcomed by the Devoteam Group, this certification highlights the quality of the assignments and support. For the 2019-2020 school year, the Group obtained a recommendation rate of 93.9% (84.5% for the 2018-2019 school year).





- **Professional training certifications**

The Devoteam Group pays special attention to the training and skills development of its employees. As such, the Devoteam Academy, which is Devoteam's "training school", is Qualiopi-certified by Bureau Veritas. This certification is based on a standard that certifies the quality of the training processes put in place.



- **Diversity Charter**

The Devoteam Group shows its commitment to promoting diversity and putting forward a plan to combat discrimination. Respect for difference, one of the Group's key values, strengthens the Devoteam Group's commitment to accepting everyone.



- **Responsible Digital Charter**

The Group is committed to respecting the five commitments set out by the INR in 2019. This voluntary commitment on the part of the Group demonstrates its desire to support the development of digital technologies, while respecting the ethical and environmental considerations of our company in a sustainable logic.



- **Planet Tech'Care Manifesto**

Alongside Syntec Numérique, the Group is committed to integrating digital technology into its environmental trajectory and to supporting training players in developing their skills in responsible digital technology. This commitment is part of its desire to contribute to digital sobriety.

## MANIFESTE

#ReconversionFemmesNum

- **Manifesto for the retraining of women in digital professions**

The Group is committed alongside Syntec Numérique and Social Builder to enable women to join the digital professions in the long term.



- **Responsible Supplier Relations Charter**

BeTeam, a subsidiary of the Group specialising in outsourcing services, is committed to respecting the ten commitments for responsible purchasing set out by the French Business Ombudsman and the French Purchasing Council in 2010. Devoteam has also adopted its own responsible purchasing charter to specify the Company's commitments.



NOUS SOUTENONS  
LE PACTE MONDIAL

- **United Nations Global Compact**

The Group is committed to respecting the ten principles set out by the UN in 1999. These guiding principles, which are entirely appropriate for the Company’s situation, provide the blueprint for the Devoteam Group’s CSR policy.



- **Glassdoor**

Glassdoor is an online platform where current and former employees can anonymously rate their working environment. At the end of December 2020, the Group obtained a score of 4 out of 5.



- **Ecovadis Sustainability Rating**

Proof of the Devoteam Group’s commitment to CSR is that it has held, for three years, the Silver certification of Ecovadis, a platform which assesses the CSR performances of companies worldwide. Devoteam registered significant progression in 2020 in the Business Ethics section with a score of 70/100.



- **Gaia Rating**

The Devoteam Group improved its Gaia Rating ranking and rose to the 46th place out of a total of 230 companies. The annual result has risen steadily over the last three years and in 2020 posted a score of 76/100.



- **Carbon Disclosure Project**

For the year 2020, Devoteam SA obtained a rating of D according to the criteria defined by the Carbon Disclosure Project. In response, Devoteam SA will implement quantitative and qualitative analyses over the next two years in order to improve its environmental governance.

### 5.1.8 Devoteam’s targets for better engagement in 2021

- Boosting networks of correspondents, particularly internationally, and improving the KPIs and maturity of the subjects concerned;
- Draft an ethics charter to reinforce the commitments and define the rights and duties of the stakeholders in order to ensure correct contractual operation and compliance with regulatory provisions;
- Improve the level of recognition of the Group’s commitments.

## 5.2 Objective no. 2: be responsible

*Compliance with principle 10 of the Global Compact + SDG 16*

Actions linked to the “Business Ethics” strategy are carried out on an international scale and concern all entities. They are managed by the CIM community, which is responsible for supporting the compliance measures applicable to the Group.

### 5.2.1 Fighting corruption (GRI: G4-57, G4-58 and G4-SO4)

The fight against corruption within the Group is everyone’s business. In December 2020, a training session on the subject of the fight against corruption was launched via the MDA Game platform, for sales and management teams. Thus, 20% of the people concerned had already done so by the end of the year, and 60% had been achieved at the time of writing this report.

A communication for the attention of the financial population on the subject of fraud is sent to the Chairman every quarter by the Internal Control Department.

The Group is listed on the Paris stock market and is present in over 18 countries. It applies all the laws and regulations in force locally in each of the French and foreign entities and has set up an ethics whistleblowing system available to all internal and external stakeholders and accessible via the website in order to actively fight against:

- corruption;
- anti-competitive practices;
- non-compliance;
- conflicts of interest;
- fraud;
- money laundering;
- data security;
- responsible communication.

A precise procedure has been drawn up to explain its operation and an Ethics Committee, composed of the heads of social affairs for France and the internal control, legal, QSE/CSR departments and the Group Vice-Chairwoman, considers each alert and tests the procedure at least once a year.

In 2020, no alert was recorded by this system and no legal proceedings were launched against the Group.

### 5.2.2 The programmes in force and control of relations with third parties (GRI: G4-56, G4-HR5)

The Group considers two purchasing categories:

- production purchases (25%): this is the subcontracted portion of the services provided to its customers;
- non-production purchases (75%): purchases that enable the company to operate on a daily basis (e.g. electricity consumption, goodies or organisation of events).

The Group has a tool for monitoring its subcontractors, enabling it to comply with the duty of care and manage contracts. The CSR commitments of subcontractors, as well as the rules of conduct to be applied during the assignment, are an integral part of the contracts signed.

The Group ensures compliance with laws, standards and voluntary codes relating to responsible marketing. Devoteam is also vigilant about the data collected on its suppliers and ensures compliance with the GDPR.

In order to strengthen its relations and comply with regulations, the Group has drawn up charters for its internal (appended to the internal regulations) and external stakeholders in order to ratify the rules of conduct.

- The IT Charter defines the conditions of use and access to the Group’s information system.
- The Anti-Corruption Charter defines and illustrates the various types of banned behaviours likely to be representative of corruption or influence peddling. In line with the Sapin 2 Act, the charter was approved by the Group’s executive management and staff representative bodies in April 2019. This charter, in addition to the local charters already in place, has been adopted by all of the Group’s subsidiaries abroad.
- The Code of Conduct defines the ethical rules, values and principles anchored in the operating practices. Updated at least annually, it is signed by all Group managers, the CFOs of all entities, and the purchasing functions.
- The Responsible Purchasing Charter explains the Group commitments and also what is expected from businesses with which the Group works. Committed to working and interacting with responsible companies, its signature commits stakeholders to working together in a process of continuous improvement.
- Aligned with last year’s target, all French buyers were trained in accordance with the ISO 20400 standard. The general purchasing conditions for subcontracting have been reviewed in order to incorporate more responsible criteria upstream. A questionnaire for subcontractors has been drafted to assess their CSR maturity and to carry out an inventory.

- The Group compliance programme, coordinated by the Internal Audit Department, reporting to the Group Supervisory Board, is responsible for the compliance activity, the compliance process and its ongoing improvement, notably with regard to the implementation of the Sapin II Act which creates the obligation to make operations more secure and to strengthen the internal control mechanisms.
- The Internal Representation Letter is a formal commitment by managers of Group entities to ensure that the financial statements and various activities comply with laws and regulations as well as with the business and ethical directives of the Group.
- The declaration of related-party transactions (a transaction between the Group and a third party related to a Group employee) is signed every year by the CEOs, COOs, CFOs and all senior managers, and provides a strong commitment to the prevention of conflicts of interest.

### 5.2.3 Information security

On the back of a significant increase in cyberattacks (four times more than in 2019), the Group's entities are facing strong pressure from customers, being themselves targets of attack. These risks are closely linked to the three fundamental security criteria, namely the availability, integrity and confidentiality of the systems and the information they contain, which may directly impact the operational activities of the Group, its customers and partners. Information security is becoming a differentiating strategic focus vis-à-vis the competition, with a significant impact on reputation. The Group's information security is organised around:

- a full-time dedicated security team dealing with subjects such as:
  - how to classify assets and make them secure;
  - prevention and management of security incidents;
  - securing missions and implementing specific security measures;
- a weekly report sent to the executive management on the state of Group security;
- mandatory training on safety for all (83% of the workforce in France was trained via the Data Protection module).

In 2020, the Group's internal information security unit carried out several activities.

Concerning the security of Business activities, namely:

- support retail: 195 supports for 107 customers, i.e. around five supports per week;
- prevention and incident response: around one hundred events per week are used to analyse situations and raise any alerts.

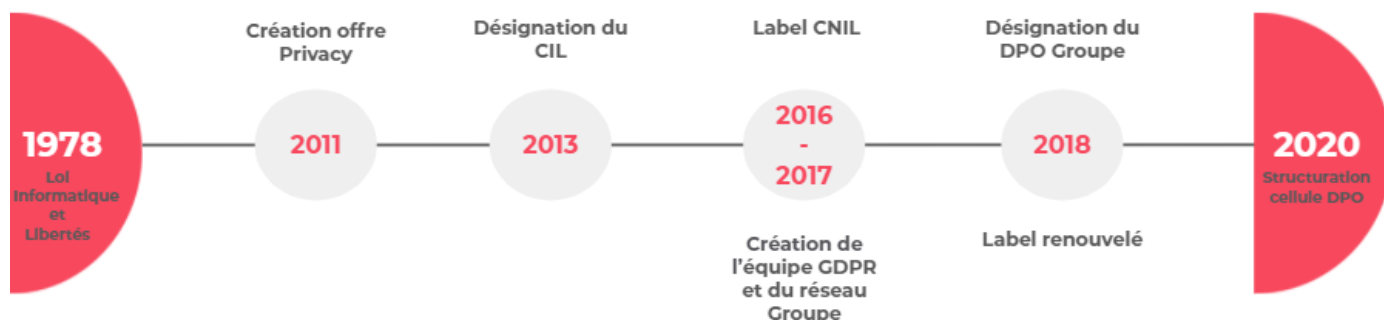
Concerning collective and cross-functional security:

- 60 projects including study of the level of security of suppliers, the security of tools, the right security practices in the use of the tool, regulatory compliance, an e-learning module on the fundamentals of cybersecurity;
- a safety community, thanks to six participating countries: Belgium, Denmark, Poland, Czech Republic, Germany, United Kingdom. The purpose of this community is to establish governance with the security managers in each country.

### 5.2.4 Protection of personal data

Personal data protection is a major challenge which is constantly evolving in the Group.

# Panorama de la protection DCP chez Devoteam



**Le Groupe Devoteam a obtenu le label Gouvernance RGPD (Règlement européen) délivré par la CNIL sous le numéro 2018-241 valable jusqu'au 24 mai 2021.**

Since 2018, personal data protection governance has been organised by the Data Protection Officer (DPO) who is systematically involved, upstream, in Group projects coordinating and securing GDPR issues. The DPO is also the main point of contact for third parties in the context of client audits and with the CNIL to answer any queries and cooperate in the event of an audit.

Every entity has appointed their own GDPR contact, to guarantee that the entity's obligations under the regulation are implemented (particularly keeping a register of processes and responses to requests to exercise personal rights).

During this year, the DPO actively collaborated with the French Security Support Committee and the Legal Department to secure internal projects that use personal data, and relations with service providers in the event of subcontracting. In this respect, Devoteam SA has applied its contractual standards to all service providers involved in the projects.

During the year 2020, extensive work was carried out to update the processing register, for which each department was asked to list the processing operations carried out by Devoteam SA in order to update the documentation of the compliance. This exercise was also an opportunity to remind each department of the best practices to be implemented on a daily basis (minimisation of collections, elimination of obsolete data, principle of least privilege, etc.).

INDICATORS	2020	2019
Compliance of projects	~ 30	24
Preparation of impact analysis	1	4
Personal rights requests	15	10

Scope: France

## 5.2.5 Devoteam's objectives for better accountability in 2021

- Enhance its outreach thanks to the purchasing department being attached to the international level, enabling a more effective CSR lever;
- Deploy the CSR questionnaire more widely to subcontractors and monitor changes in responses;
- Keeping 100% of the groups concerned trained in their responsibilities;
- Define a policy for managing gifts and invitations that can be adapted locally;
- Better prepare operational departments to deal with cyberattacks and the associated impacts - international deployment of dual authentication, enhanced security of workstations, SIEM and resilience of entities.

### 5.3 Objective no. 3: achieve one's best

Compliance with principles 1 to 6 of the Global Compact + SDGs 4, 5 and 8

As a signatory to the Global Compact, the Group respects and promotes national laws and international labour conventions by openly showing its support for:

- collective bargaining between employers and staff representative bodies, as well as freedom of association (SYNTEC convention);
- respect for the freedom of association and recognition of the right to collective bargaining;
- the elimination of any form of forced or compulsory labour;
- the refusal to use child labour;
- the employer's involvement in the career development of their co-workers, particularly through training.

Employees enter into contracts following a transparent recruitment process during which the two parties decide, of their own accord, to work together. This agreement is formalised by the signing of an employment contract that sets out the rights and obligations of both parties.

International presence	31.12.2020		31/12/2019		31/12/2018	
	France	Int. <sup>(1)</sup>	France	Int. <sup>(1)</sup>	France	Int. <sup>(1)</sup>
<b>Workforce</b>	3,525	4,098	3,435	4,127	3,073	3,500
<b>Distribution of activity</b>						
Workforce	46%	54%	45%	55%	47%	53%
CA	45%	55%				
<b>Distribution by gender</b>						
Women	31%	25%	27%		26%	
of which directors <sup>(2)</sup>	0.5%	0.4%				
Men	69%	75%	73%		74%	
<b>Age distribution</b>						
< 30	42%	29%				
30-50	52%	58%				
> 50	6%	13%				

(1) Europe and around 8% of the rest of the world (mainly Northwest Africa, Mexico and the Middle East)

(2) International Directors and Country Managers

In 2020, the Group's total workforce increased by around 0.8% (7,623 employees at the end of 2020 compared to 7,562 at the end of 2019). The scope of this report may be French or international and is specified below the tables of indicators.

#### • **Distribution of activity: (GRI: G4-8)**

The Group has maintained a balance between France and the international market for many years. The distribution of revenue and headcount is balanced with France representing as much as the rest of Europe; less than 8% is represented by non-EU countries. The Group's desire is to expand internationally.

#### • **Distribution by gender: (GRI: G4-LA13, G4-LA12)**

The digital sector has long been preferred by men from school onwards. This trend explains the lack of female representation, particularly at the level of the Group's top management, which is committed to changing this long-standing trend. Management has recruited a Global Vice-Chairwoman to carry this message internationally, which varies from country to country.

Three women are permanent members of CODIR France, in addition to two representatives on the Devoteam Group's Executive Committee.

Through the calculation of the "gender equality" index, the Social Affairs Department monitors the development of each French entity and supports them in the implementation of improvement actions. This index is lower than 75 out of 100 for 3 of the Group's 12 entities in France.

Devoteam Management Consulting has been running an initiative called EGALITEAM for several years, enabling it to have a female workforce of 40%. However, the departure of a highly-paid senior female consultant led to a decrease in their index to 74/100 in 2020 from 92/100 in 2019.

Since 2019, this movement aims to raise awareness of the common interest of equality at work and to offer equal professional opportunities within the firm with the sponsorship by the CODIR of Devoteam Management Consulting. Thanks to a legitimacy

acquired over its three years of existence, the EGALITEAM dynamic develops the sense of well-being of all DMC employees in their diversity, through the internal and external promotion of the values that unite them.

- **Distribution by age:**

In 2020, the Group chose to present three age groups instead of six, which explains why the table is not exhaustive. This age distribution remains stable due to the Company's activity related to recent technologies, which explains the reduced presence of older populations seeking more stability in their missions.

Around 80% of the workforce works directly on customer sites and these regular changes of intervention are mainly sought by younger audiences.

The Group also attracts young talents through its school relations programme and its *Eagle for Value* operating model.

### 5.3.1 Integration through employment and career management (GRI: G4-LA1 and LA11)

The Devoteam Group's recruitment strategy is in line with the Company's HR policy, the aim of which is to recruit the most talented people who can then develop their expertise and accelerate the digital transformation of clients. The strategic choice, defined in the *Eagle For Value* project. This model defines the business lines in which the Group wants to position itself, and offers a clear vision of career development, training, certification, and salary prospects for young talent (salary scales defined according to experience and monitored during annual appraisal interviews with all employees). It makes it possible to significantly improve the quality of recruitment and to invest in them over the long term.

Thanks to this approach, the attrition rate has been reduced and now stands at around 25% with a net increase in the workforce of 61 employees over the year. More than 85% are on permanent contracts.

The "Career Path" was created in 2020 and aims to inform all employees about the various business lines within Devoteam SA, and the various career development opportunities.

INDICATORS	31.12.2020	31.12.2019	31.12.2018
Attrition rate <sup>1</sup>	25.80%	30.40%	25.90
Staff movements			
Total departures	1,929		
Total hires	1,832 <sup>2</sup>		

(1) international scope

(2) excluded the M&A scope of the acquisitions of Fourcast and Inviso

In France, the Group has a recruitment management tool, SmartRecruiters, which allows the process to be traced in a complete, transparent and harmonised manner (psychotechnical and technical tests, recruiter charter, training for recruiters and specific support, KPI of control, procedure for approval of the employment contract by electronic signature). Candidates' data is kept according to the General Data Protection Regulation (GDPR) and recruitment teams from different entities can exchange relevant CVs. Internal mobility and cooptation can also be carried out via this tool.

A cross-functional quality coach is being recruited, who will be responsible for the proper application of this process. As a key contact for recruiters, he will report to the Director of Employee Experience.

Particular attention is also paid to making sure that the candidates are appropriate for the Devoteam Group's culture, and to the behaviours expected in the consultancy professions.



Fair & Courageous



Ambition & Results



Learning & Innovating



Caring & Sharing

This entire recruitment process allows the Group to maintain a high level of employability, comparable to previous years in terms of age and gender distribution.

The same work has begun on the employee management process with a view to securing the start-up of assignments and career monitoring, particularly in France with the implementation of Workday in 2020 as a new human resources management tool.

Finally, with the arrival of Christelle Chappaz, Vice-Chairwoman of the Devoteam Group, these processes will be deployed at the international level in order to guarantee the highest level of quality in three areas:

- lower turnover;
- employees evolving in the dynamics of the organization;
- satisfaction.

### 5.3.2 Training follow-up (GRI: G4-LA9, LA-10)

Since its creation, the Group has invested heavily in professional training. The Group supports its clients in their digital transformation and that requires ongoing updating and development of employee expertise, so that it can meet market needs and challenges.

The Devoteam Academy is a “training school” in France, Veriselect-certified by Bureau Veritas, made up of training professionals and internal experts, which optimises overall performance by:

- ongoing development of the training offering;
- enhancing the value of internal experts;
- enhancing collective and individual skills in line with the changes in business lines;
- creating training paths which are homogeneous, consistent and appropriate for the profession of consultant;
- encouraging sharing and learning.

The Qualiopi certification demonstrates alignment with the highest standards of the community of internal trainers. It accelerates access to training and the transmission of key technical skills in demand on the market.

Devoteam SA implements an ambitious training policy, devoting nearly 2.5% of its gross payroll to training each year:

- training leading to certification in the technologies of the Group’s partners, a guarantee of quality for clients;
- training in the market’s main methodologies and additional training in personal skills.

INDICATORS	31.12.2020	31.12.2019	31.12.2018
Training expenditure as a % of payroll <sup>(1)</sup>	2.50%	2.60%	2.30%
Total number of training sessions	26,006 days worldwide including 27,325 hours <sup>(5)</sup>	240,262 hours <sup>(3)</sup>	140,048 hours <sup>(2)</sup>
Number certified (technologies of partners)	2,898	2,000	NA
Number of people trained as Career Managers <sup>(4)</sup>	39	23	18

(1) Scope: DEVOTEAM SA

(2) Scope: Devoteam SA, G Cloud, Axance, Belgium, Netherlands (excluding TMNS), Austria, Germany, Siticom GmbH, Middle East

(3) Scope of employee data section of 2019 CSR report

(4) DTC scope

(5) Devoteam SA France scope

In 2020, 18% of training hours were provided internally, compared with 79% in 2019. This change in figures is largely due to the health situation.

### 5.3.3 Employee satisfaction survey (GRI: G4-58)

A new survey format called “MyDevoMood” was introduced quarterly in 2020 in France. Twelve questions were formulated in order to analyse the level of employee satisfaction according to four main categories:

- mission;
- career & management;
- Tech4People & CSR;
- Devoteam recommendation.

A score of 1 to 5 is given (5 being the highest). A free comment can be added. Employees can answer the survey anonymously or not. All scores below 3 are automatically sent by e-mail to the Human Resources Business Partners (HRBP) and line managers. Any dissatisfaction is subject to a corrective action plan by the HRBP and the manager.

Of the three investigations carried out in 2020, the second investigation focused on the perceived effects of the first lockdown. In France, it identified several elements deemed satisfactory, namely:



- 90% of employees say that they have been well informed of the situation and the measures taken by the Company, which reflects the transparency and good circulation of information;
- 87% of employees believe that they were able to work effectively during the lockdown;
- 86% would like to work from home more in the future.

Between the first and fourth quarters, all categories assessed increased, bringing overall satisfaction from 3.98 to 4.01 out of 5. Despite these results, a priority project has been set on career and management. The results of these surveys are shared internally via the corporate social network for the sake of transparency and the free flow of information.

### 5.3.4 Working conditions and work-life balance (GRI: G4-LA5, LA7)

#### 5.3.4.1 Teleworking and short-time working: response systems to the health crisis

Due to the exceptional circumstances in 2020, the Group has resorted to the massive use of teleworking for its employees. It is the business continuity solution chosen by the Group and has made it possible to maintain an excellent quality of service despite the health crisis and the termination of many projects.

In the meantime, the Group's 16 French companies are now covered by an agreement or charter relating to regular or occasional teleworking. They are required to evolve to better adapt to the expectations of employees and the demands of our trade unions.

For 2021, it is planned that regular teleworking can be exercised up to three days per week, by mutual agreement between the employee and the manager. The principle is currently two days maximum. This mutual agreement will always be subject to an amendment that can be renewed every six months.

Being aware of the impacts that teleworking can have on the health, both physical and psychological, of employees, the Group has put in place "Golden rules for teleworking" in order to frame best practices (break time, correct posture). They have been translated into an MDA Game capsule that must be completed to have access to teleworking, in the same way as the mandatory capsules such as Data Protection and the Onboarding programme. Teleworking on this scale poses risks to the security of the Group's data and it is essential to recall the best practices to be adopted.

Devoteam France has also set up a guide entitled "Managing autonomy to succeed in the new reality of hybrid work". In particular, it has been observed that 15% of employees experience difficulties in balancing work and personal life. This guide specifies the methods of teleworking, the way of supporting and managing its employees remotely as well as the boundaries that it is essential to respect. Around one hundred managers must be trained in the "Remote Manager" training by the "Time to Pitch" organisation.

At the same time, the partial unemployment scheme has been rolled out to staff unable to work remotely, or whose missions are terminated early due to the health crisis. One in two employees was affected by at least one day of partial unemployment in 2020. Half of them did not exceed 30 days of partial activity.

To frame the system, a procedure and an FAQ have been put in place for managers. Audits were carried out within each entity to verify its compliance and the results were satisfactory.

#### 5.3.4.2 Employee representatives (GRI: G4-11)

As announced in the roadmap for 2020, Devoteam France is in compliance with the professional elections (Economic and Social Committees - ESC) and now has contact points to combat cases of sexual harassment and sexist acts in accordance with the law on the professional future.

Devoteam France has negotiated numerous agreements with its employee representatives, of which a total of 29 are in force within one or more Devoteam France entities.

The following agreements are under negotiation:

- means of communication for Group union representatives;
- disability at group level;
- means of communication of the ESC at subsidiary level;
- teleworking at the parent company level;
- NAO at parent company level.

The Devoteam SA works council has equipped itself with a communication platform in order to better communicate with employees and enable them to know their rights precisely.

The various ESCs do not have the same budgets, but they are all attentive to providing social and cultural activities that are of interest to employees.

It was also possible to negotiate the agreement on the mutual insurance company in order to allow it to serve retired employees for a period of one year after their departure. The system was implemented in September and October 2020.

### 5.3.4.3 Donating paid leave

Following on from the company-wide agreement of 14 May 2018 relating to the scheme allowing staff to donate paid leave to colleagues with seriously ill children and spouses, a new agreement was signed on 21 October 2019 between Devoteam France and the unions. This three-year agreement extends the mechanism to a co-worker who:

- is responsible for a child aged under twenty suffering from an illness, disability or the consequences of an accident and requiring long-term care;
- caring for a caregiver (Article L. 3142-16 of the French Labour Code) who has a particularly serious loss of autonomy or who has a disability;
- has a disabled or dependent parent.

In accordance with the procedure set out by this agreement, these employees can benefit from days of paid leave donated by their colleagues. With regard to requests for donations of paid leave to care for a seriously ill child, Devoteam France will also participate in the donation, granting to the employee half of the required number of paid authorised days of leave stated in his or her request. The system is applicable to all entities in France.

INDICATORS	2020	2019
Number of calls for donation of paid leave	1	6
Number of days donated by employees	20 (capped at 15)	63
Number of days donated by the Group	15	33

### 5.3.4.4 Occupational health and safety (GRI: G4-LA6)

Devoteam France has deployed an HR proximity policy to enable it to identify more easily and swiftly any potential difficulties faced by its employees. To this is added an analysis of internal and external risks by entity, the single risk assessment document (SRAD), including environmental risks (related to climate change and rising water levels).

Based on the analysis of the SRADs and in order to ensure a calm working environment, HR managers and managers regularly visit client sites to meet with consultants and raise their awareness of the rules of good conduct in the face of risks:

- the risk of illegal subcontracting;
- risks related to the working environment (posture, noise reduction in open spaces, source of stress).

Twenty managers have been trained in psychosocial risk (PSR) management and an employee awareness-raising system has been set up with the sending of memos.

The Devoteam Group has made a whistleblowing procedure available to co-workers suffering from a PSR or those who detect one in a colleague. This improves the way issues are dealt with when they are flagged.

Lastly, to combat PSRs, Devoteam France also offers employees the opportunity to access the Simundia platform, which allows them to be put in touch with professional psychologists in less than 48 hours. This service is completely confidential and anonymous. It consists of supporting the employee remotely for six one-hour sessions, entirely paid for by the Company. In 2020, Devoteam France set up an extension of the number of sessions for employees who felt the need. They are carried out free of charge for the employee and paid for by the company.

INDICATORS	Since April 2020	2019/2020
Number of people supported via the Simundia platform	52	16
Satisfaction rate for support provided	100%	93%

France scope

In addition, three indicators are used to monitor working conditions:

- the MyDevoMood satisfaction survey, presented above, identifies levers for better workplace harmony;
- the absenteeism rate in France has decreased by around 100 basis points and now stands at 2.63%<sup>1</sup>;
- on the activity report (ARC), employees must indicate each week if they have not been able to benefit from their daily and weekly rest time. Every warning is reported to the manager, HR and the Social Affairs Department, and then a meeting is organised within eight days of the warning in order to understand why the co-worker has not been able to benefit from his or her rest.

### 5.3.5 Combating discrimination and diversity policy (GRI: G4-LA08, LA12 and HR3)

Since its creation in 1995, Devoteam has prohibited the application of discriminatory criteria in the recruitment of employees, particularly criteria related to origin, gender, lifestyle, sexual orientation, actual or presumed ethnicity, nationality or race, political

<sup>1</sup> As a reference, French companies posted an average rate of 5.1%\* in 2018, which proves the effectiveness of the measures in terms of risk. (\* Source: 11th absenteeism barometer of the Ayming consultancy)

opinions, trade union or mutualist activities, religious beliefs, physical appearance, name, health, disability, pregnancy, age, marital status or genetic characteristics.

The Group's values express the desire to act in this direction and emphasise diversity in its workforce. They encourage a human resources management policy focused on the recognition and enhancement of individual and collective skills. The Group would thus like to promote social equity and cohesion and currently has 69 different nationalities within the French scope and 84 overall.

Three e-learning modules are dedicated to disseminating these values:

- diversity all concerned;
- recruit without discrimination;
- management and diversity.

With regard to the disability agreement, its scope was extended on 1 January 2020 to 11 related entities compared to 6 previously and a new three-year agreement is being negotiated to cover 12 entities. A fourth three-year agreement is being negotiated and will cover 12 entities.

The objective of the current disability agreement is largely achieved thanks to the internal investment of the disability mission in several actions:

- monitoring of the company-wide agreement (for example 7 co-workers benefited from medical absences granted by Devoteam, representing 10 days of absence in 2020);
- raising awareness among recruiters and HRBP. This year, there was a delay of 37 people but it will be made up for;
- systematic awareness-raising during the integration seminar;
- link and action with occupational medicine;
- internal communication actions.

The Disability mission has also been involved in external actions such as developing services with "ESAT" assistance centres helping disabled people into work and "EA" adapted companies, with a positive impact being made through Group procurement.

The health crisis had a significant impact on the recruitment and retention of people with disabilities. Devoteam France stopped recruiting people with disabilities as of March 2020, but had reached 28 recruitments over three years, exceeding the initial target. Devoteam France usually takes part in about ten recruitment fairs per year and, despite the health crisis, some were maintained albeit with less impact. The Handicap mission took part in the "Mardis du Handicap" organised by the recruitment firm Job in Live. They allow committed companies to meet candidates with disabilities who meet the criteria of positions to be filled in companies. The person in charge of the Disability mission goes to the interviews to provide an expert approach that complements that of the recruiters. In the provinces, no less than five candidates met per half-day on average and 14 in the Paris region.

At the operational level, the disability mission also managed 14 workstation adjustments to help maintain employees' employment in the office or at home, and organised a communication event in the form of a competition: the "Semaine du Handicap". It provides a deeper understanding of diseases causing visible or invisible disabilities. This approach helps to deconstruct misconceptions about disability and promote the integration of the people concerned. This year, a total of 69 employees took part, compared to an average of 200. This decrease in participation is due to the decrease in the frequency of informal discussions, which are one of the best communication channels.

The Handicap mission has also introduced the digital accessibility solution, FACIL'iti. This makes it possible to adapt and translate Devoteam France's websites, according to the particular needs of people with disabilities. This solution is particularly suitable for people with motor needs (Parkinson's disease, multiple sclerosis), cognitive needs (dyslexia) or visual needs (ARMD, low vision, cataracts), but also temporary needs (ophthalmic migraine). With a view to the redesign of the website, the disability mission helps ensure that it complies with the requirements of the general accessibility improvement framework (RGAA V4).

INDICATORS <sup>(1)</sup>	31/12/2020		31/12/2019		31/12/2018	
Disability category	Number	Rate	Number	Rate	Number	Rate
Employees recruited	4	-	11	-	13	-
Direct employment (declared employees)	64	1.64% <sup>(3)</sup>	56	1.90%	54	1.61%
Adapted work stations	7	-	11	16%	8	-
<b>Socially responsible purchases</b>						
ESAT/EA supplier expenditure <sup>(2)</sup>	€50,591		€127,931		€106,368	
Indirect jobs	N/A <sup>(4)</sup>		0.25%		0.23%	

(1) workforce covered: entities covered by agreement

(2) assistance centres helping disabled people into work/Adapted Companies

(3) estimate of the employment rate while waiting for the workforce provided by URSSAF before May 2021

(4) change in legislation in 2020 no longer allowing indirect employment to be valued on the employment rate

### 5.3.6 Devoteam's objectives to enable its employees to achieve their best in 2021

- Deploy MDA Game across all entities in France and internationally in order to have precise indicators (currently including Belgium, Spain, Germany, France and the Middle East region, shortly Portugal);
- Invest in training, including an interactive one for sales staff and managers on disability and one on PSR, an English-language learning platform for Devoteam SA employees and then in France;
- Extend actions related to professional equality: women-men mentoring;
- Create a new partnership between the disability mission and a centre specialising in the training of job seekers;
- Adjust the onboarding process for new employees across all entities to cover the completion of mandatory training capsules;
- Continue and expand the MyDevoMood field of action every half-year;
- Lead the HR community, including harmonising employee monitoring and recruitment processes;
- Organise the first "Career Week" with the aim of providing employees with an overview of career opportunities within Devoteam in France, in two areas: the challenges of the Infinite strategic plan and the presentation of the Eagle For Value operating model (technical conferences and personal development workshops, speed dating with mentors - between 80 and 100 meetings are planned).

## 5.4 Objective no. 4: become better

*Compliance with principle 9 of the Global Compact + SDG 9*

### 5.4.1 Devoteam Group Foundation

The Foundation was created in 2007 with the aim of providing both financial and human support to all humanitarian, charitable and associative actions in the fields of IT, solidarity, education and health.

As such, it supports non-profit projects in the public interest carried out by Company employees through annual calls for projects.

In 2019, in addition to this call for projects, the "TechforPeople" programme was developed to offer employees the opportunity to get involved in the public interest through payroll donations and a solidarity commitment programme enabling them to put their skills at the service of associations or social entrepreneurs.

#### 5.4.1.1 The Foundation's call for projects (GRI: G4-15)

In 2020, having studied 24 applications for support, the jury selected 22 winners. A total endowment of €30,000, shared between the winning applications, contributed to solidarity projects.

#### 5.4.1.2 Payroll donation programme, with microDON

In September 2019, in partnership with microDON, Devoteam France set up a payroll donation platform for the benefit of three non-profit organisations: Enable, Solidarités nouvelles face au chômage, and Entourage. The donation is between €0.01 and €15 and it is deducted directly from the net salary. The Devoteam France Foundation will match the amount donated.

123 employees were involved in this initiative in December 2020 and €9,485 was collected and donated over the year.

### 5.4.1.3 #TechforPeople solidarity programme

In 2019, the Foundation's #TechforPeople programme was launched to offer all Devoteam France consultants different formats of solidarity commitments to put their technology skills at the service of the digital transition of non-profit, social or solidarity structures, with two objectives:

- to attain operational excellence, i.e. lower their structural costs and optimise their operational resources;
- to maximise their social impact, i.e. increase the number of beneficiaries, and the benefits received by the beneficiaries.

In 2020, more than 160 employees took part in the #TechforPeople programme, offering more than 1,788 days of solidarity commitment for the benefit of more than 45 associations or social entrepreneurs, through various actions:

#### A. Expertise-philanthropy missions

The aim of expertise-philanthropy is to guide people in the charitable sector in their digital transformation. Consultants help them with their technology or organisational problems, to stimulate growth and thus maximise their impact. As proof of the consultants' commitment, the equivalent number of days worked with SSE associations increased by 32% between 2019 and 2020.

#### B. #TechforPeople Labs

The #TechforPeople labs aim to resolve a technological or organisational challenge related to the development of social entrepreneurs during a three-hour collective and collaborative intelligence workshop. These labs are organised in partnership with the Makesense association.

#### C. Helping hands

This system aims to provide ad hoc expertise to associations. For example, these may be programmes that enable members and employees to upgrade their digital skills:

- keeping a space open for charities in external or internal training;
- donate equipment;
- involve Devoteam France experts during workshops or conferences organised by associations, or to answer specific questions.

CHANGES IN INDICATORS	2020	2019	2018
<b>Devoteam Foundation</b>			
Call for projects - Number of charitable projects helped	22	27	35
Call for projects - Total amount given to associations	30,000 €	49,000 €	76,000€
Expertise-philanthropy	1,705 j/h	1,287 j/h	NA
Expertise-philanthropy - Number of charitable associations supported	45	40	NA
Expertise-philanthropy - Number of consultants committed	157	111	NA
#TechforPeople Lab - Number of entrepreneurs helped	8	9	NA
#TechforPeople Lab - Number of co-workers participating	83	103	NA
Helping Hand - Number of computers donated	29	100	NA

### 5.4.2 School relations

By targeting the young working people of tomorrow from school onwards, the Group is working to promote digital technology to encourage students to find a career. Due to the health crisis, few events were held this year. However, two of them have been kept in adapted format:

- The innov'handicap challenge for students in their final year of engineering school has been replaced by an awareness-raising day focusing on Group work on disability issues (creation of a poster, setting up of round tables led by persons in charge of disability missions and discussions with disabled professionals).
- Devogame took place in coordination with the Devoteam Foundation, Makesense and the 21 - Croix Rouge incubator. It brought together students from all over France who reflected on a TechForPeople mission by helping an NGO optimise the operation of its call centre. The final consisted of directly supporting a project incubated by 21 - Croix Rouge and Share Ami, around the implementation of an action plan to improve data management in order to optimise relations between learners and seniors.

In February 2020, Devoteam France welcomed two third-year interns as part of the United Way programme, which helps students from disadvantaged neighbourhoods discover the world of work.

School relations	2020	2019	2018
% of recruitment from target schools	33	30	40
Number of target schools	50	50	40
Number of school events	111	235	250






The decrease in the number of events is of course linked to the restrictions put in place following the health crisis and recruitment remained stable thanks to a favourable end of the year.

### 5.4.3 Devoteam's business strategy: #Infinite

#### 5.4.3.1 The five development pillars: strategic partners (GRI: G4-12)

The Group has chosen five partners to execute its strategy and meet the needs of the market in all its geographies. Due to their impact on the world thanks to their cutting-edge technologies, the Group had to be the first EMEA partner of these five companies and increase the associated revenues by 20% to 50% by 2024.

For each development pillar, the Group aims to cover the entire value chain (consulting and design, technical expertise, centre of excellence and managed services).

		Revenue generated with partner technologies	Number of certifications	Number of experts Devoteam
	Google Premier Partner Partner of the Year Managed Service Provider	€100 millions	285	200
	Microsoft Gold Partner Tier 1: Cloud Solutions Provider MAPO Partner of the Year	€98.5 millions	1,099	740
	Premier Consulting Partner Consulting Partner of the Year	€24 millions	450	200
	Premier Consulting Partner Gold Reseller by Tableau Mulesoft Scale Partner Salesforce.org EMEA Board member	€10.9 millions	7,000	300
	Elite Partner Regional Partner	€65.6 millions	520	420 (full time)

#### 5.4.3.2 The three business lines: strategic accelerators



Through the “Infinite 20-24” strategic plan, the Group wants to position itself as a premium technology consulting firm, capable of combining three tactical areas with high added value:

- Business consulting - the ability of teams to analyse and understand clients’ business issues beyond the technological challenges they face. This analysis is used to guide the digitisation of the Group’s customers in order to ensure the suitability and relevance of the solutions implemented;

- Creative technology - expertise enables the Group to deliver the fastest way to market the right scalable product through multi-disciplinary teams and an agile design-driven process. The Group supports its customers in adopting a new way of evolving by becoming able to create digital products that deliver optimal and consistent incremental business value;
- Trust and cybersecurity - The Group wants to provide its customers with the means to protect the digital transformation of their business by managing risks and deploying the innovative solutions of leading partners to tackle cybersecurity challenges, enabling them to make their organisations sustainably resilient.

#### 5.4.3.3 The six offers as operational areas

In support of this approach, the Group offers its clients six areas of expertise, identified as being the greatest current and future challenges. They are the result of 25 years of learning and adaptation to market trends and the technological industry marked by constant evolution.

- Digital Business & Product - Multi-disciplinary teams develop innovative business models and exceptional digital products made possible by technology. The Group thus offers its clients the opportunity to prosper in the digital age and become the cutting-edge leaders in their respective sectors;
- Business automation - End-to-end intelligent automation ecosystems are built, driven by platforms and through which processes are improved, people are connected, tools are more efficient and systems are smarter;
- Distributed cloud (Cloud computing) - The comprehensive suite of cloud services is designed to accelerate innovation, business agility, streamline operations and optimise costs;
- Data-driven intelligence - The Group assists its clients in mastering the key skills to use data across the organisation - strategy, governance, people, data and technology - so that they can transform them into information and then into actions to create competitive advantages and have a tangible business impact;
- Trust & Cybersecurity - The Group offers its clients the means to protect the digital transformation of their business by managing risks and deploying innovative solutions from leading partners to tackle cybersecurity challenges. This enables them to make their organisation sustainably resilient. As part of the fight against corruption and the control of environmental and social risks in the supply chain, the Group offers innovative business models via RVR Parad, a subsidiary of the Group and publisher of a software package used in risk management, control and compliance, and business continuity. In 2017, RVR Parad launched a study to adapt its software to the different regulations in force, including the Sapin II Act and duty of care, by asking experts to help establish the necessary guidelines;
- Sustainability enabled by digital - Becoming a responsible digital company means being ready to turn the challenges of sustainable development into opportunities. The Group gives companies the right digital tools and support to understand their impact, implement responsible strategies and leverage untapped value.

#### 5.4.4 Devoteam Research and Innovation (DRI)

In 2012, the Group created Devoteam Research and Innovation (DRI), an internal department dedicated to research and innovation. It is responsible for supporting the definition of innovative projects and projects with high added value, with a strong focus on supporting customers in their digital transformation.

In 2020, despite the very difficult context linked to the COVID crisis, the Group carried out an in-depth prospective watch (Other part), notably in the field of AI. The projects of the year therefore concerned:

- the security of our clients' infrastructures, particularly in terms of hybrid cloud and resilience;
- improving the quality of intra-datacentre service;
- AI and data science on various topics, such as HR data (associated with the tech for people approach), mobile AI, time series processing, and semantic analysis of consumer data;
- hybrid V-cycle vs Agile project management;
- service-oriented data infrastructures;
- significant progress on the "User Experience".



Workload distribution (%)	2020	2019	2018
Workload (FTE)	59	67	60
Number of projects	56	77	59
Security	25	27	15
TM	17	18	21
Agile IT	14	15	26
Data	12	11	9
Service Excellence	2	10	5
Other	30	19	24

The “Other” portion, which represents forward-looking monitoring, makes it possible to reposition efforts for the coming years according to the needs of the offers.

The reduction in the volume corresponding to the Service Excellence offer is associated with the consideration of a change in topics towards the treatment of business processes on our clients’ platforms.

Moreover, the Group works as an outsourced R&D provider for its clients on innovation projects, particularly in France and Belgium. Some of these projects are eligible for the French research tax credit.

#### 5.4.5 Devoteam’s objectives to be better in 2021

- Invest in offers related to AI (transformation management, machine learning on the data part and security and compliance projects with the associated tooling);
- Write a thesis on QoS in a hybrid cloud environment, in order to support customers in optimising the hybrid cloud and thus maximise the quality of service provided to users;
- Create an Esport team for a corporate competition on League of Legends;
- Maximise partner schools to 40 instead of 50;
- Consolidate the organisation and impact of the Foundation and the #TechforPeople programme in France (strengthened coordination, tools provided);
- Prepare for the internationalisation of the Foundation’s actions towards other Group countries, taking into account the specific legal and cultural features of the various regions. In 2020, the United Kingdom and Denmark were introduced to the various Foundation practices.

### 5.5 Objective no. 5: balance

*Compliance with principles 7 to 9 of the Global Compact + SDGs 7, 11, 13 and 15*

Due to the nature of the Group’s business, it does not present any significant direct risks to the environment and biodiversity. The policies, measures and key performance indicators stated below concern the France scope which represents almost half of the workforce and revenue, giving a good idea of the impact of a Group co-worker on the environment. In addition, Devoteam France is the only country that calculates its carbon footprint and its consumption data is therefore reliable. Food waste is not covered since it is not applicable.

At the international level, the collective dynamic around the Blossom Engagement is a resounding success. Since 2018, the Group wants to take concrete action on the environment and has launched a carbon offsetting initiative. It is included in the recruitment process and aims to raise awareness of sustainable development for all new hires. Each time an employee is hired, the latter agrees to plant a tree seed via the Reforest’action partner site. The majority of the Group’s subsidiaries have agreed to take part in this initiative. In 2019, new recruits to the Group planted 3,062 trees and in 2020, despite the health situation and a sharp slowdown in hiring, 2,000 trees were able to take root in Peru, Reunion, Haiti and Spain, generating 286 days of work in these countries. This investment compensates the equivalent of the activity of 165 French employees (source: Reforest’action).

Since the initiative was launched, 5,312 trees have already been planted around the world.

#### 5.5.1 Carbon footprint assessment (GRI: G4-EN3, EN4, EN15, EN16, EN17, EN19)

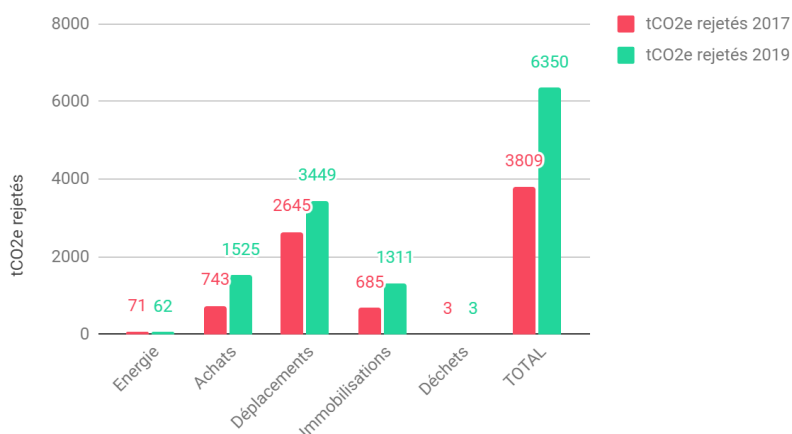
Devoteam France prepared a complete carbon assessment during the year 2020. It deals with emissions for the year 2019 and presents a precise inventory of emission factors. An ambitious action plan has been drawn up to reduce the impact on the environment.

Devoteam France has succeeded in better managing its carbon footprint by choosing to source only 100% green energy and by installing LEDs in all its premises in France. Travel and purchases increased due to growth. It should be noted, however, that the carbon footprint related to waste remained at the same level as in 2017 and that there was no correlation with the strong growth,



which underlines the attention paid to their impacts. The ratio per employee increased from 1.42 to 1.82 tCO<sub>2</sub>e between 2017 and 2019 due to frequent air travel, the replacement of IT equipment and the significant increase in high-impact expenses (accommodation, film production). With this in mind, Devoteam France has put in place a travel policy to optimise travel and is working particularly on its purchases (partnership with DreamAct, B'Corp-certified).

### Bilan Carbone Devoteam France 2017 / 2019



#### Note on methodology

The data was collected from the purchasing, accounting and general services departments. A questionnaire on commuting was also sent out to all employees to learn more about the carbon impact of staff travel (845 respondents). Data from the vehicle fleet was added.

#### 5.5.2 Waste management (GRI: G4-EN23)

##### 5.5.2.1 Non-hazardous waste

As part of its waste management policy, in order to recycle and recover it, Devoteam France has made a commitment with Elise, an adapted company whose particularity is that at least 80% of its workforce consists of disabled people or people with integration challenges. So, the choice of this supplier has a double impact:

- to help (indirectly) with the employment of disabled people;
- to recycle and monitor the waste-related impacts.

Employees also benefited from an awareness-raising campaign by the Elise manager on waste sorting. At present 90% of the France scope is covered.

INDICATORS	2020		2019		2018	
	Quantity recycled	CO <sub>2</sub> e of avoided emissions	Quantity recycled	CO <sub>2</sub> e of avoided emissions	Quantity recycled	CO <sub>2</sub> e of avoided emissions
Cans	23.5 kg	623 kg	259 kg	6,863 kg	153 kg	4,055 kg
Plastic bottles and cups	57.5 kg	632.5 kg	661 kg	7,271 kg	496 kg	5,439 kg
Paper/cardboard	2,233 kg	670 kg	3,382 kg	1,015 kg	3,048 kg	915 kg
Glass	207.5 kg	6 kg	321 kg	10 kg	NA	NA
Batteries	6 kg	NA	10 kg	NA	NA	NA
Cigarette butts	34.1 kg	NA	46 kg	NA	NA	NA

Source: Elise, Ademe Carbon footprint assessment and Cy-Clope in France

In line with the previous year's objective, Devoteam France has significantly reduced its consumption of plastic cups as they are now only distributed to visitors. Other waste is also down due to the increase in teleworking practices as a result of the health crisis.

### 5.5.2.2 Waste Electrical and Electronic Equipment (WEEE) (GRI: G4-EN25)

Devoteam France has concluded an agreement with the disability-adapted company ATF Gaia to recycle WEEE.

Waste	2020	2019	2018
Total quantity of WEEE removed by an external provider	0 kg	3,800 kg	1,299 kg

In 2020, Devoteam did not use this external service provider, due to the last visit made at the end of 2019. The quantity of D3E is currently stored in dedicated spaces pending the next recycling agreement scheduled for early 2021. As part of the solidarity programme, the Devoteam Group ISD was able to distribute 29 functional computers to three public interest structures.

### 5.5.3 Energy (GRI: G4-EN3, EN4, EN6)

The Group's activity does not involve the use of water or electricity beyond normal use in buildings occupied for its activity. In 2019, Devoteam's green energy supplier deployed precise consumption readings for each site, enabling easy monitoring.

INDICATORS for energy	2020	2019	2018
Energy consumption	934,330 kWh	1,024,212 kWh	1,009,423 kWh

In addition, the Devoteam France commissioned an energy audit at the end of 2019 on the three main buildings housing staff. The audit report revealed no material anomalies. The recommendations made by the auditor will be submitted to the General Secretary in order to decide what action needs to be taken. The oldest building in Levallois-Perret will be completely rebuilt to enable Devoteam France to reduce its environmental impact. Gas is not used in Devoteam's premises in France and almost all of the Group's international premises are powered by electricity.

### 5.5.4 Travel management (GRI: G4-EN17)

Business travel indicators	2020	2019	2018
<b>Company cars</b>			
Kilometres travelled	3,296,191	4,546,708	4,218,755
Average of emissions	(1)	105 g / CO <sub>2</sub> / km	-
Total emissions from this source	(1)	475,000 kgCO <sub>2</sub> e	438,000 kgCO <sub>2</sub> e
<b>Airplane</b>			
Total emissions from this source	19,070 kgCO <sub>2</sub> e	722,000 kgCO <sub>2</sub> e	582,000 kgCO <sub>2</sub> e
Annual distance travelled	147,369 km	3,800,000 km	3,200,000 km
<b>Train</b>			
Total emissions from this source	2,009.72 kgCO <sub>2</sub> e	7,800 kgCO <sub>2</sub> e	9,000 kgCO <sub>2</sub> e
Annual distance travelled	465,214 km	1,800,000 km	1,600,000 km

(1) Change of standard (see below)

As part of their work, certain Group employees use a company car and the management of this fleet of cars is monitored. In France, it comprises a total of 270 vehicles, including five hybrid vehicles and three fully electric vehicles.

A new vehicle approval standard, the WLTP standard, was introduced in 2019 and 2020 to replace the NEDC standard. It involves a more accurate measurement of a vehicle's average fuel consumption and emissions. Due to the health crisis, emissions from vehicles fell drastically in 2020: it would therefore not be consistent to present a comparison with last year.

The emissions from air travel and train travel are respectively 38 and 15 times lower than in 2019, also due to the health crisis. The Bilan Carbone 2020 will be used to verify the effectiveness of the implemented travel policy, based on the 2019 data.

### 5.5.5 Purchases of equipment (GRI: G4-EN17)

INDICATORS	2020	2019	2018
<b>Environmentally responsible purchases</b>			
Purchase rate of certified electronic products (EnergyStar, etc.)	90	80	75
Percentage of PEFC-certified paper <sup>(1)</sup> / Eco-Label	100	100	100

1. Programme for the Endorsement of Forest Certification

Vigilance is also applied to TCO certification in order to improve our commitment as regards IT equipment.

### 5.5.6 Beehives, a commitment to biodiversity

Mindful of environmental issues and biodiversity in particular, the Devoteam Group is seeking to play its part in addressing these fundamental issues by installing beehives on the roofs of its head office buildings.

Since 2016, bees have been officially recognised as an endangered species. Bees play a critical role in pollination. Without bees, the survival of all these plants is under threat, and ultimately so is biodiversity. Devoteam France has installed five beehives bringing together 30,000 bees in winter and 60,000 in summer to harvest around 50 kg of honey in 2020. These jars of honey are distributed to employees during internal games or to interns and work-study students upon their arrival.

### 5.5.7 Devoteam's objectives for a better balance in 2021

- Conduct a market study to include eco-responsible and awareness-raising products (CSR and Disability) in the Welcome Packs issued to new employees;
- Promote eco-gestures within Devoteam and in particular digital ones through a comic book produced with the SobriITeam community;
- Present in more detail to customers the benefits of partner offers in terms of sustainable development at sales meetings and, to do so, better train sales teams;
- Achieve 10% of clean vehicles (hybrid or electric) in the fleet in France by the end of 2022; an order for ten hybrid vehicles has already been placed in 2021;
- Maintain a lower environmental impact than in 2019 (1.42 tCO2e per employee).

## 5.6 Appendix

This report references:

### The 10 Principles of the United Nations Global Compact:

1. Support and respect the protection of internationally proclaimed human rights
2. Make sure that it is not complicit in human rights abuses
3. Respect the freedom of association and the right to collective bargaining
4. Eliminate all forms of forced or compulsory labour
5. Effective abolition of child labour
6. Eliminate discrimination in respect of employment and occupation
7. Support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies
10. Work against corruption in all its forms, including extortion and bribery

### The following Sustainable Development Goals:

SDG4: Quality education

SDG5: Gender equality

SDG7: Affordable and clean energy

SDG8: Decent work and economic growth

SDG9: Build resilient infrastructure, promote sustainable industrialisation that benefits everyone and encourage innovation

SDG10: Reducing inequalities

SDG11: Sustainable cities and communities

SDG12: Responsible consumption and production

SDG13: Measures to fight climate change

SDG15: Life on land

SDG16: Peace, justice, and strong institutions

### The following GRI guidelines:

G4 GUIDELINES	STANDARDS GRI	INDICATORS
G4-3	102-1	Name of the organisation
G4-4	102-2	Activities, brands, products and services
G4-7	102-5	Capital and legal form
G4-8	102-6	Markets served
G4-9	102-7	Size of the organisation
G4-10	102-8	Information about employees and other workers
G4-12	102-9	Supply chain
G4-15	102-12	External initiatives
G4-1	102-14	Statement by the most senior decision-maker
G4-2	102-15	Main impacts, risks and opportunities
G4-56	102-16	Values, principles, standards and rules of conduct
G4-57/G4-58	102-17	Mechanisms for advice and management of ethical concerns
G4-36	102-20	Management's responsibility in relation to economic, environmental and social issues
G4-11	102-41	Collective bargaining agreements
G4-32-a	102-54	Reporting statements in accordance with GRI standards
G4-32-b	102-55	GRI content index
G4-SO4	205-2	Communication and training on anti-corruption policies and procedures
G4-EN3	302-1	Energy consumption within the organisation
G4-EN4	302-2	Energy consumption outside the organisation
G4-EN6	302-4	Reduction of energy consumption
G4-EN15	305-1	Direct GHG emissions (Scope 1)
G4-EN16	305-2	Indirect GHG emissions (Scope 2)
G4-EN17	305-3	Other indirect GHG emissions (Scope 3)
G4-EN19	305-5	Reduction of GHG emissions
G4-EN23	306-2	Waste by type and disposal method

G4-EN25	306-4	Hazardous waste transport
G4-LA1	401-1	Recruitment of new employees and staff turnover
G4-LA4	402-1	Minimum notice periods for operational changes
G4-LA5	403-1	Occupational health and safety management system
G4-LA6	403-2	Identification of hazards, risk assessment and investigation of adverse events
G4-LA7	403-3	Occupational health services
G4-LA8	403-4	Employee participation and consultation and communication on occupational health and safety
G4-LA9	404-1	Number of training hours per year per employee
G4-LA10	404-2	Employee skills upgrading and transition assistance programmes
G4-LA11	404-3	Percentage of employees benefiting from performance and career development reviews
G4-LA12	405-1	Diversity of governance bodies and employees
G4-LA13	405-2	Ratio of basic salary and remuneration of women and men
G4-HR3	406-1	Cases of discrimination and corrective measures taken
G4-HR4	407-1	Operations and suppliers for which the right to freedom of association and collective bargaining may be at risk
G4-HR5	408-1	Operations and suppliers presenting a significant risk related to child labour
G4-HR6	409-1	Operations and suppliers with a significant risk of forced or compulsory labour

## 5.7 Audit report

*This is a free translation into English of the auditors' report on the social corporate responsibility of the SOCIETE DEVOTEAM issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### Financial year ended 31 December 2020

To the Shareholders,

In our capacity as Statutory Auditors of the company DEVOTEAM, appointed independent third party, accredited by COFRAC under No. 3-1080<sup>2</sup>, we hereby present to you our report on the consolidated non-financial performance statement for the year ended 31 December 2020 (hereafter the "Statement"), presented in the management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

#### **Corporate Responsibility**

It is the responsibility of the Management Board to prepare a Statement that complies with legal and regulatory provisions and that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in relation to these risks and the results of these policies, including key performance indicators.

The Statement was prepared in accordance with company procedures (hereinafter the "Guidelines"), the key elements of which are presented in the Statement.

#### **Independence and quality control**

Our independence is defined by the provisions set out in Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of our profession. In addition, we have in place a quality control system which covers the documented policies and procedures to ensure compliance with ethical rules, professional standards and applicable legal and regulatory documents.

#### **Responsibility of the appointed independent Statutory Auditor**

It is our role, on the basis of our work, to present a reasoned opinion expressing moderate assurance of:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information presented pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies including key performance indicators, and the actions relating to the principal risks, hereinafter the "Information".

However, it is not our duty to comment on:

- the company's compliance with other applicable laws and regulations, particularly with regard to the duty of care plan, anti-corruption and fighting tax evasion;
- the compliance of products and services with applicable regulations.

#### **Nature and scope of the audit**

<sup>2</sup> Scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr).

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code determining the methods in which the independent third party conducts its mission and in accordance with the international standard ISAE 3000 “Assurance engagements other than audits or reviews of historical financial information”.

We have carried out work to allow us to assess the compliance of the Statement with the regulatory provisions and the fairness of the information presented:

- we have reviewed the activity of all companies included in the scope of consolidation, and their exposure to major social and environmental risks associated with these types of activity;
- we have assessed the appropriateness of the Guidelines in terms of relevance, completeness, reliability, neutrality and clarity, taking into the account, where applicable, best industry practices;
- we have verified, where relevant to the principal risks and policies presented, that the Statement presents the information required under paragraph II of Article R. 225-105 or that it, where applicable, provides an explanation of the reasons justifying the absence of the information required by the second paragraph of item III, Article L. 225-102-1;
- we have checked that the Statement presents the business model and the main risks associated with the activities of all entities included in the scope of consolidation, including where relevant and proportionate, the risks incurred as part of its business relationships, products and/or services, as well as policies, actions and results, including key performance indicators;
- we have consulted the documentary sources and carried out interviews in order to:
  - assess the process for selecting and validating the main risks as well as the consistency of results, including the key performance indicators chosen, in relation to the main risks and policies presented, and
  - corroborate the qualitative information (initiatives and results) which we have considered to be the most important<sup>3</sup>;
- we have verified that the Statement covers the consolidated scope, namely all companies included in the scope of consolidation, in accordance with Article L. 233-16;
- we have made ourselves familiar with the internal control and risk management procedures put in place by the entity and we have assessed the data collection process to ensure the completeness and fairness of the Information;
- we have implemented, for the key performance indicators and the other quantitative results that we have deemed the most significant<sup>4</sup>:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes thereto,
  - detailed tests, using sampling techniques, to verify the proper application of definitions and procedures and to reconcile the data with the supporting documentation. This work was carried out on a selection of contributory entities<sup>5</sup> and covers between 48% and 100% of the consolidated data selected for these tests;

<sup>3</sup> **Qualitative information** relating to the following sections: “A OneDevoteam CSR policy”; “Visibility of commitments”; “Integration through employment”; “Teleworking and short-time working: response systems to the health crisis”; “The five pillars of development: strategic partners”; “Employee satisfaction survey”.

<sup>4</sup> **Quantitative social information**: total workforce and breakdown by gender, age and geographic region; total number of hires; total number of departures; attrition rate; absenteeism rate; number of training hours. **Quantitative environmental information**: amount of waste generated and recycled; energy consumption; carbon footprint: kilometres travelled on business trips and related CO<sub>2</sub> emissions.

<sup>5</sup> Devoteam France, Devoteam Spain.

- we have assessed the overall consistency between the Statement and our knowledge of all of the entities included in the scope of consolidation.

We believe that the work we have carried out, exercising our professional judgment, allows us to express moderate assurance; a more extensive audit would be required to guarantee a higher level of assurance.

#### **Methods and resources**

Our work was carried out by four people between February and April 2021. To assist us in the performance of our work, we called upon the help of our experts in the fields of sustainable development and corporate responsibility. We carried out interviews with the people responsible for preparing the Statement.

#### **Conclusion**

On the basis of our work, we have not discovered any significant misstatements likely to have an effect on the compliance of the non-financial performance statement with applicable regulatory provisions, not on the fact that the information, taken as a whole, is presented accurately and in accordance with the Guidelines.

Neuilly-sur-Seine, 30 April 2021

One of the Statutory Auditors

**Grant Thornton**  
**French Member of Grant Thornton International**

Vincent Frambourt  
Partner

Tristan Mourre  
Director



## 6 CORPORATE GOVERNANCE

To the Shareholders,

This report has been prepared for the 2020 financial year in accordance with the new Order No. 2017-1162 of 12 July 2017 and Decree No. 2017-1174 of 18 July 2017. The Supervisory Board therefore presents to the General Meeting the “Corporate Governance Report” accompanying the management report (Articles L. 225-37 and L. 225-68 of the French Commercial Code).

This report was drawn up in consideration of the legislation enacted in France in 2020. The presentation of the various internal control procedures, in accordance with the “Financial Security” Act 2003, is included in the management report. It also takes account of the modifications to Article L. 225-37-3 of the French Commercial Code by Order No. 2020-1234 of 27 November 2019 on the compensation of the corporate officers.

This report endeavours to comply with the general principles of internal control, in accordance with the simplified guide for the implementation of the AMF’s internal control framework published on 9 January 2008 for small- and medium-sized companies. An updated version was published on 22 July 2010.

The Company also refers to the AFEP-MEDEF Corporate Governance Code for Listed Companies (revised version of January 2020). It decided to adopt, from its publication, this code as a benchmark for corporate governance. The AFEP-MEDEF Code is available on the AFEP website at [www.afep.com](http://www.afep.com) under the heading Governance.

The aims of this report are to:

- present and define the organisation and responsibilities of the supervisory bodies in accordance with the general principles of the Corporate Governance Code adopted by the Devoteam Group and to explain any differences, in accordance with Article L. 225-37 of the French Commercial Code (as amended by Order No. 2017-1162 of 12 July 2017);
- present the compensation criteria for the corporate officers and the members of the Supervisory Board;
- present the Devoteam shareholders.

The concept of "Group" as mentioned in this report comprises the company Devoteam SA as well as all subsidiaries within its scope of consolidation.

For the Supervisory Board,  
Michel Bon, Chairman of the Supervisory Board

## 6.1 Organisation and duties of the management and supervisory bodies

In 2003, AFEP and MEDEF published recommendations on the principles of corporate governance, which were later updated in 2007 and 2008. These recommendations were combined by AFEP and MEDEF in December 2008 to create the AFEP-MEDEF Corporate Governance Code, to which the Devoteam Group refers.

The AFEP-MEDEF Code was revised in full in November 2016, in June 2018, and more recently in January 2020. The recommendations are taken into account in the organisation of the Devoteam Group's governance. Any points of non-compliance are presented and any deviations from the code are explained in accordance with the "comply or explain" principle.

### 6.1.1 The Supervisory Board

#### 6.1.1.1 Composition

Members of the Supervisory Board are elected by the General Meeting for four-year terms.

In 2020, Devoteam's Supervisory Board was comprised of three women and four men, taking the percentage of female members to 43%. In this respect, Devoteam complies with Act No. 2011-103 of 27 January 2011, known as the Zimmermann-Copé Act, and with Article L. 225-69-1 of the French Commercial Code on the balanced representation of men and women on Boards of Directors and Supervisory Boards and on equal opportunities.

During the 2020 financial year, the Supervisory Board of Devoteam SA renewed the terms of office of five of its members for a period of four years, i.e. until the General Meeting called to approve the financial statements for the financial year ending 31 December 2023: Mrs Elisabeth de Maulde and Mrs Valérie Kniazeff, and Messrs Michel Bon, Roland de Laage and Vincent Montagne.

The Supervisory Board also ratified the co-option of TABAG, represented by Mr Yves de Talhouët, as a member of the Supervisory Board on a provisional basis by the Supervisory Board of 2 September 2019, replacing Mr Yves de Talhouët, resigning, for the remainder of his term of office. Its term of office will be renewed during the General Meeting called in 2021 to approve the financial statements for the financial year ended on 31 December 2020.

The members of the Supervisory Board are elected by the General Meeting for a four-year term. At 31 December 2020, the composition of the Board was as follows:

Name and year of birth	Date of appointment	Expiry date of the mandate	Primary role	Other ongoing terms of office and terms expired during the past five years (date of expiry)*
Roland de Laage de Meux (1959)	5 June 2020	OGM 2024	General Secretary of Devoteam Technology	<b>France:</b> none <b>International:</b> DV Fringes (D), DV SA (D), Voxpilot Ltd (D), member of the SB of DV Netherlands, DV Technology Consulting Tunisie (M), DV Consulting Maroc (C), QPCM (CEO), DVS Maroc (M), DVT Tunisie (M), DVT Steam GmbH (CEO), member of the Board of Drago (Spain) <b>External:</b> Fibelaage (SB), Hôtel Gril du Parc (manager), Société ICF (D), SNC Imbelaage (manager), Cinehotel d'Epinay (manager), Canalst Gestion (D), SCI LOSSERAND 76 (SB) <b>Expired:</b> DV NV/SA (D, 2015)
Michel Bon (1943)	5 June 2020	OGM 2024	Independent consultant	<b>Ongoing:</b> Phitrust (D), Sonpack (C) <b>Expired:</b> RLD (D, 2016), SONAE (D, Portugal, 2015), Sonepar (D, 2018)
Valérie Kniazeff (1968)	5 June 2020	OGM 2024	Chairwoman of ALCIMED	<b>Ongoing:</b> CentraleSupélec (D), Demeter (SB), Alcimed (C)
Vincent Montagne (1959)	5 June 2020	OGM 2024	Chairman of Média Participations	<b>Ongoing:</b> ESL Holding (SB), Mage invest (C), Média Participations Group (various mandates including manager, Chairman and Director), Sages (VC), Secom (D), SiparexAssociés (D), Ulysse Invest (C), ELECTRE (SB) <b>Expired:</b> SITC (D, 2016)
Elisabeth de Maulde (1952)	5 June 2020	OGM 2024	Independent consultant	<b>Expired:</b> Les Nouveaux Robinson (CSB, 2019), Confluence Consulting (C, 2019)
TABAG (represented by Yves de Talhouët)	5 June 2020	OGM 2021	Company	<b>Ongoing:</b> Tinubu (D), Pont aux Choux SAS (C)
Carole Desport (1961)	16 June 2017	OGM 2021	Senior Vice President - Global Accounts OBS	<b>Ongoing:</b> N/A <b>Expired:</b> Network Related Services (NRS) (D)

\* Abbreviations: C (Chairman), D (Director), SB (Supervisory Board), DV (Devoteam), BD (Board of Directors), C&CEO (Chairman & Chief Executive Officer), M (Manager), CEO (Chief Executive Officer).

#### 6.1.1.2 Rules of Procedure, Ethics Charter and Diversity Charter of the Supervisory Board

The Devoteam Group Supervisory Board decided at the meeting held on 28 February 2011 to adopt a charter as well as rules of procedure setting out the duties and obligations of its members and the general guidelines for its operation in accordance with legal and regulatory provisions.

#### **Ethics Charter of the Supervisory Board**

The purpose of the charter is to set out the duties and obligations of the members of the Supervisory Board and any other person attending its meetings. It comprises 11 articles:

- Article 1. Management and corporate interest
- Article 2. Compliance with laws and the Articles of Association
- Article 3. Independence
- Article 4. Freedom of expression
- Article 5. Conflicts of interest
- Article 6. Loyalty and good faith
- Article 7. Confidentiality
- Article 8. Insider trading
- Article 9. Attendance
- Article 10. Transparency and due diligence
- Article 11. Civil responsibility of the members of the Board

#### **Rules of procedure of the Supervisory Board**

The rules of procedure set out the guiding principles for the operation of the Supervisory Board in accordance with legal and regulatory provisions. They comprise six articles:

- Article 1: Appointment of the members of the Supervisory Board
  - a. *Appointment*
  - b. *Duration of mandates*
  - c. *Age limit*
- Article 2. Operation of the Board
- Article 3. Duties and obligations of the Supervisory Board
- Article 4. Option to confer a duty on a member of the Supervisory Board
- Article 5. Committees of the Supervisory Board
  - a. *Audit Committee*
  - b. *Compensation Committee*
- Article 6. Inside information - Securities transactions

#### **Diversity Charter of the Supervisory Board**

- ***Presentation of the Diversity Charter of the Supervisory Board***

Pursuant to the Order of 19 July 2017 and its implementing decree, Devoteam's Supervisory Board defined and adopted, at its meeting of 5 March 2018, the "Diversity Charter of the Supervisory Board", a companion charter to the "Charter of the Members of the Supervisory Board", which is already appended to the Board's Rules of Procedure.

This new charter outlines the various objectives of the Board's diversity policy on the appointment and re-election of directors. It defines and explains the various criteria that can apply.

The Board has confirmed the qualification and experience criteria. However, the use of criteria such as age or gender is also explained.

- ***Scope of the Diversity Charter of the Supervisory Board***

This charter concerns how the Board functions. The diversity criteria constraints for the recruitment of co-workers are presented in the 2020 Group CSR Report in Section 1.4.13 "Combating discrimination and diversity policy" in the corporate social responsibility report.

- ***Implementation of the Diversity Charter of the Supervisory Board***

However, the Board complies with the various statutory diversity requirements, including the percentage of women on the Board. The principles of the AFEP-MEDEF Code are also upheld.

##### **6.1.1.3 Independence of the Supervisory Board**

Devoteam is a company with a controlled shareholding, in which a group of shareholders act in concert. At 31 December 2020, four of its seven members met the independence criteria recommended by the AFEP-MEDEF Code, taking the percentage of independent directors on the Board to 57%, thus complying with the AFEP-MEDEF Code's recommendation of at least one third independent members for controlled companies.

During this financial year, the composition of the Supervisory Board changed as follows:

- TABAG, represented by Yves de Talhouët, was appointed as a member of the Supervisory Board by decision of the General Meeting of 5 June 2020. This follows the resignation of Yves de Talhouët as a member of the Supervisory Board during the 2019 financial year.

Mr Bertrand de Bentzmann is not included in the quorum but attends the meetings as an Honorary Chairman.

Name, Surname	Position	Appointed since	Duration	Date of reelection	Independence
Carole Desport	Member	2015	5	GM of 2021	Independent member
Elisabeth de Maulde	Member	2012	8	GM of 2024	Independent member
Michel Bon	Chairman	2006	14	GM of 2024	Non-independent member
Roland de Laage de Meux	Member	1999	21	GM of 2024	Non-independent member
TABAG	Member	2019	1	GM of 2021	Non-independent member
Valérie Kniazeff	Member	2016	4	GM of 2024	Independent member
Vincent Montagne	Member	2008	12	GM of 2024	Independent member
Bertrand de Bentzmann	Honorary Chairman	-	-	-	N/A
Georges Vialle	Non-voting member	-	-	-	N/A

#### 6.1.1.4 Meetings of the Supervisory Board

In 2020, the Board met six times. The attendance rate of the directors was 95% for the year (one absence for Mrs Valérie Kniazeff and one for Mr Montagne during 2020 as a whole).

Over the course of these six meetings, the main work carried out by the Board was as follows:

- approval of the 2019 accounts;
- the Chairman's report on the Audit and Compensation Committees, and on the internal control procedures;
- the reading and assessment of the Management Board's report on the running of the Company and the separate and consolidated financial statements for the financial year ended 31 December 2019;
- the decision to distribute dividends in respect of the 2019 financial year;
- presentation of a strategic transaction;
- establishment of an ad hoc committee to study the transaction;
- appointment of an independent expert to issue a fairness opinion on the financial terms of the proposed offer;
- authorisation to sign a tender offer agreement;
- renewal of terms of office;
- discussion of the proposed public takeover bid initiated by Castillon SAS and the final report of the independent expert.

The Supervisory Board decided to set up an ad hoc committee to examine the terms and conditions of the Draft Offer and to supervise the work of the independent expert.

This ad hoc committee is composed of four members, three of whom are independent: Mr Vincent Montagne, as Chairman of the committee, Mr Michel Bon, Mrs Carole Desport and Mrs Elisabeth de Maulde.

In accordance with the provisions of Article R. 225-56 paragraph 2 of the French Commercial Code, the ad hoc committee carries out its activities under the responsibility of the Supervisory Board.

The ad hoc committee met twice in 2020. During these two meetings, the main work carried out by the ad hoc committee was:

- appointment of an independent expert;
- supervision of the work of the independent expert;
- adoption of the recommendations of the Supervisory Board in relation to its opinion on the proposed takeover bid.

#### 6.1.1.5 Self-assessment of the Supervisory Board

The AFEP-MEDEF Code provides for an annual self-assessment of the Board. A self-assessment form is made available to the directors. These assessments are an annual opportunity to evaluate the work carried out by the Board and the organisation thereof. The questions are based around four main themes:

- organisation of meetings;
- independence of directors;
- information presented to the members of the Board;
- transparency and comprehensiveness of discussions.

At the beginning of 2021, the self-assessment report was sent to the members of the Supervisory Board so that they could consider any improvements to be made to the functioning of the non-executive body.

#### 6.1.1.6 The duties of the Chairman of the Supervisory Board

The duties of the Supervisory Board are set out in Article 15.4 of the Devoteam SA Articles of Association (modified by the Combined General Meeting of 18 May).

The role of the Chairman of the Supervisory Board is to conduct the Board meetings. He is in charge of convening and planning the Board meetings. He keeps in regular contact with the Management Board so as to stay immediately abreast of any recurring or, in particular, exceptional events that may call for an extraordinary meeting of the Supervisory Board.

#### 6.1.1.7 Committees of the Board: Audit Committee

Since its creation, the Supervisory Board has followed the principles of good governance, with an Audit Committee in place since 12 September 2001. The members of this committee are appointed by the Supervisory Board.

In accordance with Directive No. 2006/43/EC and specifically the transposition thereof into French law with Article L. 823-19 of the French Commercial Code, the Supervisory Board has tasked the Audit Committee with oversight of all issues related to the preparation and auditing of accounting and financial information. The Audit Committee regularly reports to the Supervisory Board on the performance of its duties and promptly informs it of any difficulties encountered.

This committee had two members in 2020:

- Carole Desport, Chairwoman of the Audit Committee (100% attendance for the year);
- Michel Bon, Chairman of the Supervisory Board (100% attendance for the year).

All members of the Audit Committee have specialist financial or accounting expertise.

This committee met twice in 2020. The attendance rate was 100%.

#### 6.1.1.8 Committees of the Board: Compensation Committee

##### Operating method of the Committee

In 2020, this committee had two members:

- Vincent Montagne, Chairman of the Compensation Committee (100% attendance for the year);
- Michel Bon, Chairman of the Supervisory Board (100% attendance for the year).

The Committee is comprised of one independent director and one non-independent director, and is therefore compliant with the AFEP-MEDEF Code which recommends that the committee is made up of a majority of independent directors.

It prepares the Supervisory Board's review of the compensation of corporate officers. It also serves as a Nominations Committee when a new director is required.

The compensation policy proposed by the committee is based on five principles recommended by the AFEP-MEDEF Code:

- comprehensiveness: the determination of compensation must be comprehensive. All components of the compensation must be taken into account in the overall assessment of compensation;
- balance between the components of compensation: each component of compensation must be justified and must be in the corporate interest;
- the compensation must be comparable with that offered by other similar-sized companies in the same industry;
- consistency: the compensation of the executive corporate officers must be consistent with that of other Company executives and employees;
- clear rules: the rules must be simple, sustainable and transparent. The performance criteria used must correspond to the Company's objectives, must be of a high standard, explicit and, wherever possible, sustainable.

This committee met three times in 2020. The attendance rate was 100%.

#### **Compensation of directors**

The members of the Devoteam Supervisory Board receive annual compensation in accordance with their responsibility within the Board and on its various committees.

#### **Compensation of corporate officers**

Corporate officers receive compensation of which the details are presented below.

In addition, on 11 March 2008, based on the recommendation of the Compensation Committee of the same date, the Supervisory Board reviewed the position of each of the members of the Management Board in relation to the provisions of the Act of 21 August 2007 in favour of labour, employment and purchasing power (known as the "TEPA" Act). The Supervisory Board noted that, insofar as no member of the Management Board is entitled to the payment of any compensation of any kind whatsoever in relation to the termination of his or her duties as a corporate officer of the Devoteam Group, the provisions of this law are not applicable to it.

The Supervisory Board has applied the AFEP-MEDEF recommendations since 2008. Furthermore, the Board refers to the provisions presented in the updated AFEP-MEDEF Code of November 2015, which further sets out the procedures for the compensation of corporate officers.

The Supervisory Board considers that these recommendations form part of the Company's corporate governance policy. Consequently, in application of the Act of 3 July 2008 transposing Directive (EU) No. 2006/46/EC of 14 June 2006, the AFEP-MEDEF Code as amended is that to which the Company refers for the preparation of the report provided for in Articles L. 225-37 and L. 225-68 of the French Commercial Code with effect from the 2008 financial year.

The Devoteam Group applies the "Say on Pay" principle presented in the updated AFEP-MEDEF recommendations published in June 2013 and in the Sapin II Act, which entered into force on 1 June 2016 and which ratifies the principle. In this respect it consults its shareholders at each Ordinary Annual General Meeting on the individual compensation of the executive corporate officers.

### **6.1.2 The Management Board**

#### **6.1.2.1 Role of the Management Board**

The role of the Management Board is defined in Article 14 of the Articles of Association. Article 14.5 states: *"The Management Board exercises its powers collegially. It is entrusted with the broadest powers to act in any circumstances on behalf of the Company, within the limits of the corporate purpose, and subject to those expressly granted by law to the Supervisory Board and to the General Meetings of Shareholders."*

#### **6.1.2.2 Composition**

The Management Board has two members: Stanislas de Bentzmann, Chairman, and Godefroy de Bentzmann, Chief Executive Officer. Their term of office was renewed by the Supervisory Board on 5 June for a period of four years, i.e. until the General Meeting approving the financial statements of 2023. They may be dismissed by a General Meeting on a proposal from the Supervisory Board.

#### **6.1.2.3 Executive appointments of members of the Management Board**

The members of the Management Board have the following mandates within the Group:

##### **Godefroy de Bentzmann**

- In France:  
CEO of Devoteam SA  
CEO of Castillon
- International:  
Co-Manager of Devoteam Consulting Holding (Luxembourg)  
Director of Devoteam Consulting AS (Denmark)  
Member of the Supervisory Board of Devoteam Netherlands  
Member of the Supervisory Board of Devoteam Holding BV (Netherlands)

##### **Stanislas de Bentzmann**

- In France:  
Chairman of Devoteam SA  
Chairman of Castillon
- International:  
Co-Manager of Devoteam Consulting Holding (Luxembourg)

Chairman of Devoteam N/V SA (Belgium)  
 Director of Devoteam Consulting AS (Denmark)  
 Director of Devoteam Fringes SAU (Spain)  
 Director of Devoteam SA (Poland)

In addition, the members of the Management Board have mandates outside of the Group, listed below:

**Godefroy de Bentzmann**

Chairman of Syntec Numérique

**Stanislas de Bentzmann**

Chairman of the Supervisory Board of Atlantico.

**6.1.2.4 Meetings of the Management Board**

The Management Board met five times in 2020. The following key points were discussed:

- review and approval of the separate and consolidated financial statements for the year ended 31 December 2019;
- proposed appropriation of income;
- approval of the terms of the management report and the table of financial results for the last five financial years;
- proposal of the annual compensation to be allocated to the members of the Supervisory Board;
- authorisation to be given to the Management Board to proceed with share buybacks;
- decisions to be taken for the preparation and convening of a General Meeting called to approve the financial statements of the said financial year, setting of its agenda and the text of the resolutions;
- preparation and adoption of documents on the prevention of business difficulties (Act No. 84-148 of 1 March 1984);
- amendment of the proposed allocation of earnings to the GM of 5 June 2020;
- holding of the General Meeting behind closed doors;
- presentation of the results for the first quarter of 2020;
- proposal to renew the authorisation of sureties, endorsements and guarantees;
- preparation of the Group interim management report and approval of the consolidated financial statements to 30 June 2020.

**6.1.3 Table of non-compliance with the AFEP-MEDEF Corporate Governance Code for listed companies**

The Devoteam Group complies with the consolidated recommendation on corporate governance and executive compensation in accordance with the AFEP-MEDEF Code (DOC 2012-02 updated on 25 January 2016) and the reference framework for medium- and small-sized companies (VaMPS), created by the AMF and Middlednext in 2007.

In 2020, the Devoteam Group was in breach of the AFEP-MEDEF Corporate Governance Code for Listed Companies regarding the following point:

Subject	Principle	Compliance 2020	Comments for 2020	2021 action plan
The Audit Committee	Each Board must have an Accounts Committee whose duties are inseparable from those of the Board of Directors which is legally obliged to approve the annual separate financial statements and to prepare the annual consolidated financial statements. Composition of the committee: at least two thirds independent members, no executive corporate officers, appointment of the Chairman to be approved by the Appointments Committee.	Non-compliant	Following the loss of independence of Michel Bon in 2018 and the departure of George Vialle, the Audit Committee has two members, and the independence rate is 50%.	Discussions on the appointment of a new independent member to the Accounts Committee.

### 6.1.4 Table of non-compliance with the AMF recommendations

In accordance with AMF recommendations on the “comply or explain” principle, the following areas of non-compliance were identified with respect to the 2020 financial year:

AMF subject	Recommendations	Compliance 2019	Notes
<b>Corporate governance</b> 6. Specialised committees of the Board  6.3 The Appointments and Compensation Committee(s)	The AMF recalls that the AFEP-MEDEF Code recommends that committees of at least four members are at least 50% comprised of independent directors. Any company not meeting this requirement is obliged to explain its reasons for non-compliance.	Non-compliant (two members on the Compensation Committee, of which one non-independent)	See the 2020 action plans on the table of AFEP-MEDEF compliance.
<b>Independent directors</b>  Quota of independent directors	The AMF states that the quota of independent directors on the Audit Committee must be at least two thirds. When a company does not meet this quota, it must explicitly explain its deviation from the code’s recommendation and state its non-compliance.	Non-compliant (50% independent directors at end-2019)	The appointment of a new independent member to the Accounts Committee is recommended to achieve a quota of two-thirds independent members.

## 6.2 Compensation of corporate officers and members of the Supervisory Board

### 6.2.1 Compensation of corporate officers

#### 6.2.1.1 Summary of compensation paid to corporate officers

Table 1: Summary of compensation, options, BCE and shares allocated to corporate officers

Name and position of executive corporate officer	Stanislas de Bentzmann Chairman of the Management Board		Godefroy de Bentzmann CEO		Roland de Laage de Meux General Secretary	
	2019	2020	2019	2020	2019	2020
	Compensation due for the financial year (detailed in Table 2)	598,636	1,433,636	601,528	1,436,528	170,584
Value of options allocated during the financial year (detailed in Table 4)	-	-	-	-	-	-
Value of performance shares allocated during the financial year (detailed in Table 6)	-	-	-	-	-	-
<b>Total</b>	<b>598,636</b>	<b>1,433,636</b>	<b>601,528</b>	<b>1,436,528</b>	<b>170,584</b>	<b>178,848</b>

Table 2: Summary of compensation paid to each executive corporate officer

Name and position of executive corporate officer	Stanislas de Bentzmann				Godefroy de Bentzmann				Roland de Laage de Meux			
	2019		2020		2019		2020		2019		2020	
	Due	Paid	Due	Paid	Due	Paid	Due	Paid	Due	Paid	Due	Paid
Fixed compensation	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	119,700	119,700	120,000	120,000
Variable compensation	220,000	370,000	372,500	220,000	220,000	370,000	372,500	220,000	32,000	41,750	40,000	31,500
Exceptional compensation	0	0	682,500	0	0	0	682,500	0	0	0	0	0
Benefits in kind (car)	3,636	3,636	3,636	3,759	6,528	6,528	6,528	6,682	3,996	3,996	3,996	3,996
Overseas allowance	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	0	0	0	0
Directors' fees	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	12,000	12,000	12,000	12,200
Provision for retirement benefits	na	na	na	na	na	na	na	na	2,888	0	2,852	0
<b>TOTAL</b>	<b>598,636</b>	<b>748,636</b>	<b>1,433,636</b>	<b>598,759</b>	<b>601,528</b>	<b>751,528</b>	<b>1,436,528</b>	<b>601,682</b>	<b>170,584</b>	<b>177,446</b>	<b>178,848</b>	<b>167,696</b>

The fixed compensation of the members of the Management Board totalled €275,000 (including an expatriation allowance of €60,000). It has not changed since the 2011 financial year. It was approved by the General Meeting of 5 June 2020 under the 6th and 7th resolutions.

In 2020, the members of the Management Board received performance-related variable compensation based on an annual target of €275,000. The maximum payment is capped at 135% of the target variable compensation in the event of overperformance. There is no minimum payment.



To recap, the type and weighting of each indicator comprising the 2020 variable compensation of the members of the Management Board are as follows:

- 70% on achieving quantitative targets based on two criteria:
  - two-thirds subject to the achievement of a specific operating margin,
  - one-third subject to the achievement of Group organic growth;
- 30% on achieving qualitative targets based on three criteria:
  - the implementation of the next strategic plan,
  - the implementation of organisation by partner,
  - the implementation of a shareholding programme (or equivalent) for key executives.

Given the COVID-19 health crisis and the fact that it is impossible to measure its consequences on Group profitability and growth, the Supervisory Board may have to decide not to apply these quantitative parameters if the impact were to be significant.

The achievement of the criteria, both quantitative and qualitative, and the resulting amount of annual variable compensation, have obviously been undermined by the health crisis. Nevertheless, at its meeting of 28 December 2020, the Compensation Committee considered that the year 2020 was exceptional due both to the Group's remarkable resilience and the success of the tender offer made to shareholders, allowing them, if they so wished, to generate significant capital gains on the sale of their shares. The committee also noted that since 2015, it has asked the Management Board to propose a long-term incentive plan for its members, which for various reasons could not be implemented. However, given the evolution of the share price, this plan would certainly have been very positive for the members of the Management Board.

In wishing to depart from the purely parametric rules, given the context and for the reasons set out above, the Committee proposed:

- to set the variable compensation for 2020 at its maximum level, i.e. €372,500;
- to award an exceptional bonus of €682,500.

This proposal was approved by the Supervisory Board at its meeting of 8 March 2020.

The target variable compensation of Mr de Laage was €40,000, based on the following criteria:

- 30% subject to the achievement of a specific Group clean EBIT;
- 70% subject to the achievement of qualitative targets.

For the 2020 financial year, the objectives were achieved at 100%, i.e. a total variable of €40,000.

Except in exceptional cases related to the health crisis, the level of achievement of each of the objectives is precisely defined, however, due to its confidential nature the Group does not share this information.

#### **6.2.1.2 Calculation by the Supervisory Board of the compensation of members of the Management Board**

##### Compensation of the members of the Management Board for 2021

The Supervisory Board met on 8 March 2021 and, on a proposal from the Compensation Committee, decided that each member of the Management Board would be entitled to:

- annual fixed compensation (including the overseas allowance) of €275,000 gross, unchanged from the previous year;
- variable compensation equivalent to 100% of the fixed compensation, based on the achievement of targets and which may be increased to a maximum of 170% if the targets are exceeded.

The variable compensation is based on specific objectives whose definition and weighting is determined each year by the Supervisory Board on a proposal from the Compensation Committee.

With regard to the variable compensation for 2021, 70% is based on the achievement of quantitative objectives and 30% on the achievement of qualitative objectives.

The quantitative objectives are 70% based on the achievement of a target operating margin and 30% on organic revenue growth.

The qualitative objectives are based on three criteria related to the launch of new offers with the Group's strategic partners, the launch of an IS transformation project and the implementation of an employee retention programme.

The level of achievement of each of the objectives is precisely defined, however, due to its confidential nature the Group does not share this information.

**Table 3: Stock options awarded during the year to each executive corporate officer**

None

**Table 4: Options exercised during the year by each executive corporate officer**

None

It should be noted that corporate officers must keep 25% of the shares obtained from options and/or founders' warrants (BCE) already exercised by the holder prior to the end of their mandate.

**Table 5: Performance shares awarded during the year to each corporate officer**

None

**Table 6: Performance shares which became available during the financial year**

None

### 6.2.1.3 History of share subscription or purchase options and performance share awards to executive corporate officers

**Table 7: History of share subscription or purchase option awards**

None

**Table 8: History of performance share awards**

	2017 free performance share awards
Date of Meeting	04/09/2017
Date of Management Board meeting	04/09/2017
Total number of shares allocated, of which the number allocated to:	50,000
Corporate officers:	
<i>Stanislas de Bentzmann</i>	-
<i>Godefroy de Bentzmann</i>	-
<i>Roland de Laage de Meux</i>	-
<i>Non-executive corporate officers</i>	-
Date of acquisition of the shares	01/03/2021
End date of holding period	01/03/2021
Performance conditions	Yes*
Number of shares acquired at 31/12/2020	-
Total number of shares cancelled or void	11,939
Performance shares outstanding at year-end	38,061

\* Individual, collective or market performance conditions in addition to a presence condition.

**Table 9: Summary table of the multi-year variable compensation of each executive corporate officer**

None

#### 6.2.1.4 Employment contracts and mandates of executive corporate officers

Name, position, date of appointment and end date of the mandate of the executive corporate officer	Employment contract		Supplementary pension scheme		Compensation and/or benefits owed or likely to be owed due to a termination of contract or change in role		Compensation related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Stanislas de Bentzmann - Chairman of the Management Board</b> Renewed by the Supervisory Board on 5 June 2020 Term expires: OGM 2024		x		x		x		x
<b>Godefroy de Bentzmann – CEO</b> Renewed by the Supervisory Board on 5 June 2020 Term expires: OGM 2024		x		x		x		x
<b>Roland de Laage de Meux - General Secretary</b> Renewed by the Supervisory Board on 5 June 2020 Term expires: OGM 2024	x			x		x		x

Name of senior manager	Transaction	Instrument	Total transaction amount (€ thousands)	Unit price (€)
Stanislas de Bentzmann - Chairman of the Management Board (and related persons)	Contribution of securities	Shares	28,188	98.00
Stanislas de Bentzmann - Chairman of the Management Board (and related persons)	Contribution in the context of a merger/absorption	Shares	62,524	98.00
Stanislas de Bentzmann - Chairman of the Management Board (and related persons)	Contribution to the public offer	Shares	9,800	98.00
Godefroy de Bentzmann – Chief Executive Officer (and related persons)	Contribution of securities	Shares	25,332	98.00
Godefroy de Bentzmann – Chief Executive Officer (and related persons)	Contribution in the context of a merger/absorption	Shares	40,858	98.00
Godefroy de Bentzmann – Chief Executive Officer (and related persons)	Contribution to the public offer	Shares	4,999	98.00
Roland de Laage de Meux – General Secretary – member of the Supervisory Board	Contribution to the public offer	Shares	1,372	98.00
Tabag, member of the Supervisory Board	Contribution of securities	Shares	32,673	98.00
Tabag, member of the Supervisory Board	Contribution to the public offer	Shares	8,168	98.00

#### 6.2.1.5 Ratio on multiples of compensation of corporate officers

Corporate officers	Gross compensation for corporate officers	Average gross compensation of employees (*)	Median gross compensation of employees (*)	Ratio on average gross compensation (*)	Ratio on median gross compensation
<b>Stanislas de Bentzmann</b>	598,759	50,057	45,000	12.0	13.3
<b>Godefroy de Bentzmann</b>	601,682	50,057	45,000	12.0	13.4
<b>Roland de Laage de Meux</b>	167,696	50,057	45,000	3.4	3.7

\* Entities of the France scope (excluding D2SI, Devoteam G Cloud and Be Team).

The scope retained for the application of Article L. 225-37-3-6 of the French Commercial Code is that of the Group's French entities (excluding D2SI) representing approximately 94% of the workforce in France and 43% of the Group's workforce. The average and

median compensation is calculated using the annual gross theoretical compensation (fixed and variable) in full-time equivalent of the co-workers present throughout the year.

### 6.2.2 Compensation of the members of the Supervisory Board

The members of the Devoteam Supervisory Board received the following compensation in respect of the past two financial years:

**Table 12: Directors' fees and other compensation received by non-executive corporate officers**

Members of the Board	Amounts paid during the 2019 financial year (in euros)		Amounts paid during the 2020 financial year (in euros)	
	Directors' fees	Other compensation	Directors' fees	Other compensation
Michel Bon (Chairman)	52,000		51,200	
Bertrand de Bentzmann (Vice-Chairman)	9,000		8,900	
Vincent Montagne	11,500		10,200	
Roland de Laage de Meux	12,000	165,446	12,200	155,496
Yves de Talhouët	10,500		11,200	
Elisabeth de Maulde	10,500		11,200	
Carole Desport	12,000		12,200	
Valérie Kniazeff	10,500		11,200	
Georges Vialle	12,000		11,700	
<b>TOTAL</b>	<b>140,000</b>	<b>165,446</b>	<b>140,000</b>	<b>155,496</b>

## 6.3 Presentation of the Shareholders

### 6.3.1 Changes in shareholding

The structure of the share capital and its changes are described in Section 2.3 of the Management Board's management report.

### 6.3.2 Amendments to the Articles of Association and elements likely to have an impact in the event of a takeover bid

Only Extraordinary General Meetings are authorised to amend the Articles of Association and the provisions thereof.

To the Company's knowledge, Devoteam has not entered into any significant agreements that would be amended or terminated in the event of a change in control, nor any agreements under which compensation must be paid to Management Board members or employees in the event that they resign or are dismissed without just cause or that their employment ends as a result of a takeover bid. Certain shareholders' agreements entered into with minority shareholders of Group subsidiaries, however, contain clauses authorising these subsidiaries to sell their shares to the Group in the event of a change in the composition of the Management Board.

### 6.3.3 Capital increase (CI) delegations authorised by a General Meeting (GM)

Type of delegation granted to the Management Board	Date of GM granting the delegation (resolution no.)	Maximum nominal amount of the CI	Duration of the authorisation	Amount of delegation used as at 31/12/2020	Maximum number of shares issued	% of share capital	% of voting rights (VR)	Capital dilution <sup>(1)</sup>	VR dilution <sup>(2)</sup>
CI through issue of marketable securities or incorporation of reserves with PSR <sup>(1)</sup>	05/06/2020 (19th R)	€400,000	26 months	Not used	2,666,666	32.0	31.85	0.76	0.75
CI through issue of shares or any marketable securities without PSR	05/06/2020 (20th R)	€175,000	26 months	Not used	1,166,666	14.0	13.93	0.88	0.87
CI through issue of marketable securities without PSR up to 10% of the share capital per year (Art. L. 225-136 I of the French Commercial Code)	05/06/2020 (21st R)	10% of the share capital per year (counts towards the cap set out in Resolutions 19 and 20)	26 months	Not used	833,240	10.0	9.95	0.90	0.90
CI through issue of marketable securities without PSR to compensate benefits in kind	05/06/2020 (22nd R)	10% of the share capital per year (counts towards the cap set out in Resolutions 19 and 20)	26 months	Not used	833,240	10.0	9.95	0.90	0.90
CI through issue of marketable securities without PSR reserved for subscribers to a company savings scheme	05/06/2020 (23rd R)	€50,000	26 months	Not used	333,333	4.0	3.98	0.96	0.96
Allocation of free shares or preference shares	14/06/2019 (11th R)	€74,992	38 months	Not used	499,944	6.0	5.97	0.94	0.93
Issue of subscription options	14/06/2019 (12th R)	€24,997	38 months	Not used	166,648	2.0	2.0	0.98	0.98

(1) PSR: preferential subscription rights.

(2) For a shareholder holding 1% of the share capital prior to the transaction.

### 6.3.4 Participation of shareholders at the General Meeting

In accordance with the provisions of Articles L. 225-37-4, 9° and L. 225-82-2, paragraph 6 of the French Commercial Code, amended by Order No. 2017-1162 of 12 July 2017, the terms and conditions for the participation of shareholders at General Meetings are laid down in Articles 12 and 18 of the Company's Articles of Association.

#### 6.4 Statutory Auditors' special report on regulated agreements

*This is a free translation into English of the statutory auditors' report on regulated agreements of the SOCIETE DEVOTEAM issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

General Meeting called to approve the financial statements for the financial year ended 31 December 2020

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report to you on the regulated agreements with related parties.

We are required to inform you, on the basis of the information provided to us, of the key features and terms and conditions of those agreements disclosed to us, or that we may have identified in the performance of our assignment, and the reasons why they were deemed to be in the company's interest. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any other agreements. It is your responsibility, under the terms of Article R. 225-58 of the French Commercial Code, to assess whether these agreements are advantageous, and whether or not to approve them.

It is also our duty to provide you with the information referred to in Article R. 225-58 of the French Commercial Code regarding the performance, over the past financial year, of any agreements previously approved by the General Meeting.

We performed the procedures that we considered necessary to comply with professional guidance issued by the French National Institute of Auditors (CNCC) relating to this type of engagement. These procedures consisted of verifying that the information given to us was consistent with the documents from which it was taken.

#### AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

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##### ***Agreements authorised and entered into during the past financial year***

Pursuant to Article L. 225-88 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year which were subject to the prior authorisation of your Supervisory Board.

##### ***Approval of a support agreement for the draft offer with Castillon SAS, on 9 July 2020***

- Individuals concerned:  
Messrs Godefroy and Stanislas de Bentzmann, majority shareholders of Castillon SAS
- Type and purpose:  
The purpose of this agreement is to organise the cooperation between Devoteam SA and Castillon SAS in the context of the proposed public offer.
- Key terms:  
The agreement provides in particular for an exclusivity commitment in favour of Castillon SAS and a commitment to cooperate in the conduct of the offer and for the requirements of the required regulatory authorisations.
- Rationale:  
Devoteam plans to accelerate its transformation and implement its strategic vision "Tech for people".

##### ***Agreements authorised and concluded since the end of the previous financial year***

We have been advised of the following agreements, authorised and entered into since the end of the previous financial year, which have been approved by your Supervisory Board.

***Approval of a senior loan agreement for a maximum principal amount of €65 million and a bank account pledge agreement***

- **Individuals concerned:**  
Castillon SAS, in its capacity as shareholder of Devoteam SA and Messrs Stanislas and Godefroy de Bentzmann, members of the Management Board, in their capacity as partners of Castillon SAS.
- **Type and purpose:**  
The purpose of the senior loan agreement is to finance the general needs and working capital of the Devoteam Group.  
The purpose of the bank account pledge agreement is to guarantee the payment obligations of Devoteam SA under the senior credit agreement.
- **Key terms:**  
The senior loan agreement, with an initial principal amount of €65 million, has a maturity of 6.5 years and an interest margin of up to 3% per year. The arrangement and commitment fees are respectively equal to a maximum of 2% and 0.9% of the principal amount.  
The pledge agreement covers bank accounts opened in the name of Devoteam SA in France.
- **Rationale:**  
Devoteam wants to cover its general financial needs and its working capital requirement, while securing financing for a longer term and at more flexible conditions than its existing financing lines.

**AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING**

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**Agreements approved in previous financial years but not implemented during the past financial year**

We inform you that we have not been given notice of any agreement already approved by the General Meeting, the execution of which would have continued during the past financial year.

*The Statutory Auditors*

Paris La Défense, 30 April 2021

KPMG Audit  
Department of KPMG SA

Jean-Pierre Valensi  
Partner

Neuilly-sur-Seine, 30 April 2021

Grant Thornton  
French Member of Grant Thornton International

Vincent Frambourt  
Partner

