
UNIVERSAL REGISTRATION DOCUMENT

Annual Financial Report
2021

(Uncertified english translation)

**SQLI
DIGITAL
EXPERIENCE**



UNIVERSAL REGISTRATION DOCUMENT (URD)

2021 Annual Financial Report

This Universal Registration Document was filed on 27 April 2022 with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers), in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.



This Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by an issue note and, if applicable, a summary and any amendments to the Universal Registration Document. The resulting package is approved by the French Financial Markets Authority (AMF - Autorité des Marchés Financiers) in accordance with Regulation (EU) 2017/1129.

Copies of this Universal Registration Document are available free of charge:

- At the Company's registered office;
- On the Company's website www.SQLI.com;
- On the website of the French Financial Markets Authority (AMF - Autorité des Marchés Financiers) (www.amf-france.org).

This Universal Registration Document is prepared in accordance with Appendix 1 of European Delegated Regulation 2019/980.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Commission, this Universal Registration Document incorporates by reference the following information to which the reader is invited to refer:

- The consolidated financial statements and Statutory Auditors' reports on the consolidated financial statements for the year ended 31 December 2019, included on pages 134 to 173 and pages 174 to 179 respectively of the Universal Registration Document filed with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers) under number D.20-0458. of 12 May 2020 (link: <https://www.sqli.com/fr-fr/espace-investisseurs/documents-financiers>).
- The consolidated financial statements and Statutory Auditors' reports on the consolidated financial statements for the financial year ended 31 December 2020, included respectively on pages 147 to 186 and 187 to 193 of the Universal Registration Document filed with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers) under number D.21-0341. of 22 April 2021 (link: <https://www.sqli.com/fr-fr/espace-investisseurs/documents-financiers>).





Message from Philippe DONCHE GAY - Chairman and Chief Executive Officer

“Dear Shareholders, Dear Investors,

After a difficult year in 2020, SQLI once again demonstrated its resilience: thanks to the mobilisation of all our teams, 2021 was marked by a return to organic growth from the second quarter and a recovery in the profitability of the Group.

One of the major priority programmes for 2021 was the integration of our subsidiaries in Europe; this is now complete, and the efforts around this large-scale project have resulted in the construction of a shared value proposition, the deployment of the SQLI Digital Experience brand in all regions and the launch of a unique international web platform.

The end of the year was also characterized by the launch of a takeover bid by the British investment fund DBAY Advisors, already present in the capital of SQLI since 2019, that expressed its desire to support the company over the long term. Following the successful completion of the transaction on 15 February, DBAY Advisors became the majority shareholder holding 66.63% of the Group’s shares. At the same time, two new directors joined the Board of Directors: Ms Bev White, Chief Executive Officer of Harvey Nash, and Mr Alexis Nasard, Senior Business Advisor at McKinsey & Company.

This major change in governance marks a structuring step in the development of the SQLI Group and gives it more stability and support to continue the implementation of its strategy to become the leader in digital experience and e-Commerce in Europe.

In addition, in terms of social and societal responsibility, SQLI continued its program of continuous improvement in terms of quality of life at work, skills development, diversity and equal opportunities and taking into account situations of disability. The Gaïa CSR index thus increased further in 2021; and SQLI retained its place among the best rated companies by Ecovadis (Silver level).

SQLI is ideally positioned in dynamic markets, particularly in a post-Covid market context that is experiencing increased demand for high-performance digital systems. Its industrialised production model in Morocco has been acclaimed by its largest customers, who see it as an opportunity to accelerate their digital transformation. In this promising context, the ability to attract new talent and retain people within the Group will remain an essential driver of its performance.”

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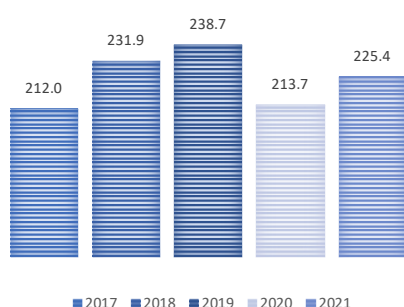
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CHAPTER 1. PRESENTATION OF THE SQLI GROUP AND ITS ACTIVITIES

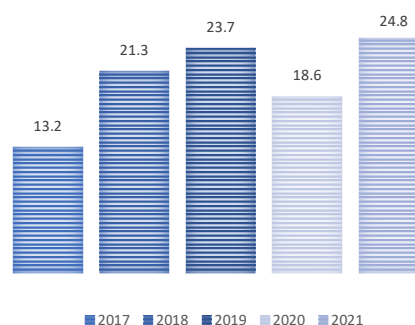
1.1. Synopsis

1.1.1. Key financial indicators

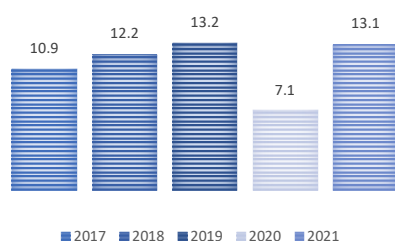
Revenue (in €M)



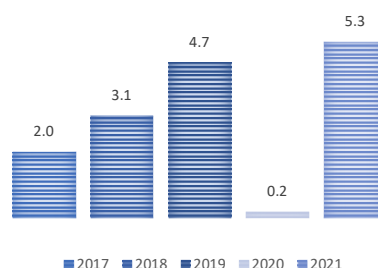
EBITDA¹ (in €M)



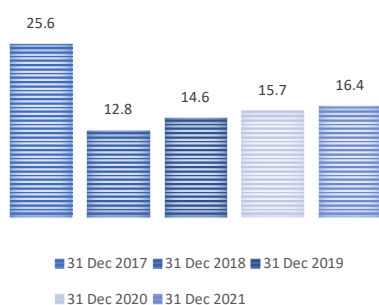
Current Operating Income (in €M)



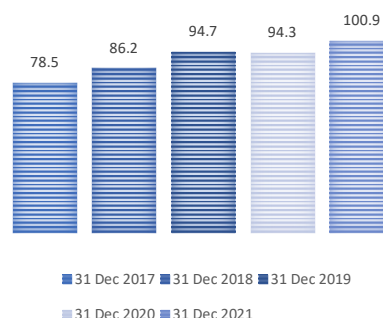
Net income Group share (in €M)



Net Financial Debt (in €M)



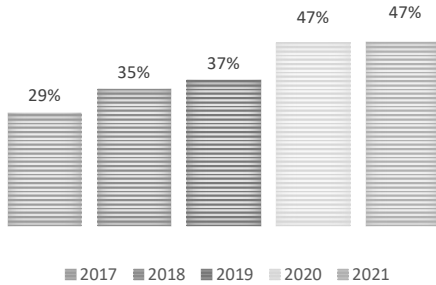
Shareholders' equity (in €M)



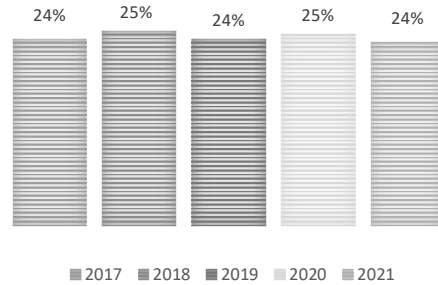
¹ EBITDA or Current operating income before depreciation, amortisation and provisions. EBITDA is calculated as current operating income of €13,098 thousand plus depreciation, amortisation and provisions of €11,652 thousand.

1.1.2. Key performance indicators

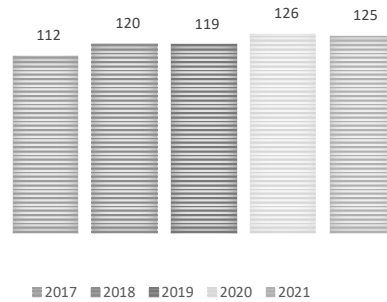
Share of international revenue



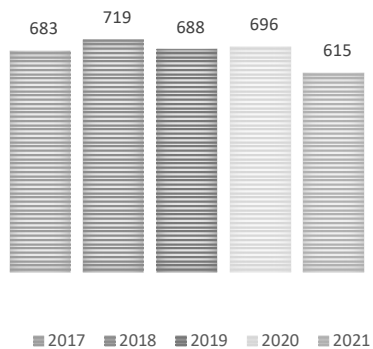
“Best Place to Work” or staff turnover rate



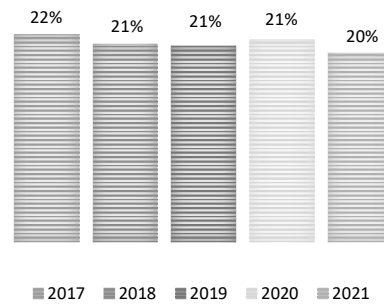
Revenue per employee (excluding non-billable items) in thousands of euros



Number of employees dedicated to service centres¹



Share of fixed costs² vs. revenue



¹ For the 2021 financial year, only employees dedicated to service centres located in Morocco are taken into account.

² The percentage of fixed costs represents the percentage of Group overheads (Finance, Human Resources, Legal, Marketing and Communication and Group Management).

1.2. Presentation of the SQLI Group

1.2.1. History and development of the Group

Since its creation in 1990, SQLI has been helping companies make the most of new technologies to improve their overall performance. The Company bases its development on decoding these technologies for new uses and implementing them with organisations in all business sectors.

Thanks to its R&D division, SQLI is able to anticipate key sector developments, embracing the Internet in 1995 in which the company has become a "pure player". Convinced from the beginning that the only purpose of technology is creating or responding to new uses and providing a user experience, its founders created an integrated web agency in 1998, with a reputation built notably around user knowledge and interface ergonomics.

SQLI continued its growth by deploying an intensive policy of recruiting expert profiles with complementary skills and by supplementing its network of offices in the regions. In order to accelerate its growth, the company reinforced its capital through an IPO in 2000 and made several acquisitions along with the creation of a Swiss subsidiary.

In 2002, the founders put a new management team in place, focusing on project industrialisation based on the CMMI processes. SQLI pioneered in this field, by being the first digital services company to obtain CMMI certification in France, in all the Group branches. It created its first offshore centre in Morocco in 2003. This French e-business leader pursued its growth with the acquisition of many companies between 2005 and 2009, becoming a major Group operating in France, Belgium, Switzerland and Morocco.

The launch in 2009 of a three-year strategic plan - the Boost plan - aimed at optimising the Group's operations and strengthening its value proposition. The Company chose to focus on digital activities, by creating transversal business lines and selling non-core activities.

In 2013, SQLI set up a new management team to create a new growth momentum. This launched the Ambition 2016 strategic plan. The Group then organised itself into two complementary business units - Digital Technologies and Digital Commerce - the latter driven by the WAX Interactive brand, organised around the acquisition of the LSF Interactive and Naxeo agencies. SQLI also implemented an international growth strategy with, firstly, the acquisition of InventCommerce, a company specialised in e-commerce, operating in the United Kingdom and South Africa.

In line with this, the General Management introduced a new plan - MoveUp 2020 - giving new objectives to SQLI. The Group reinforced its positioning in the digital experience and unified commerce space and made new targeted acquisitions in Europe: STAR REPUBLIC in Sweden and OSUDIO, mainly operating in the Netherlands and Germany.

In 2018, the Group opened a new office in Barcelona, which in the same year reached a workforce of 50 digital experts. With this new location, as well as the latest acquisitions, SQLI obtained a privileged position on the European omnichannel commerce market.

At the same time, its "local/nearshore" model based on an international and local network and digital service centres in France and Morocco, allowed the Group to win new key account customers.

At the end of 2019, DBAY Advisors became the Group's largest shareholder. The Group then adopted a new governance structure in 2020; the Chairman of the Board accepting the Group's General Management.

In 2020, the Group continued its policy of targeted acquisitions internationally to strengthen its presence in the United Kingdom and the Middle East with the incorporation of REDBOX DIGITAL. SQLI initiated a formal integration plan for the acquired companies. In the context of an unprecedented pandemic with many impacts on customer demand and the company's organisation, the action plan put in place by the Group made it possible to achieve the objectives for 2020, while simplifying the Group's organisation around a global offering.

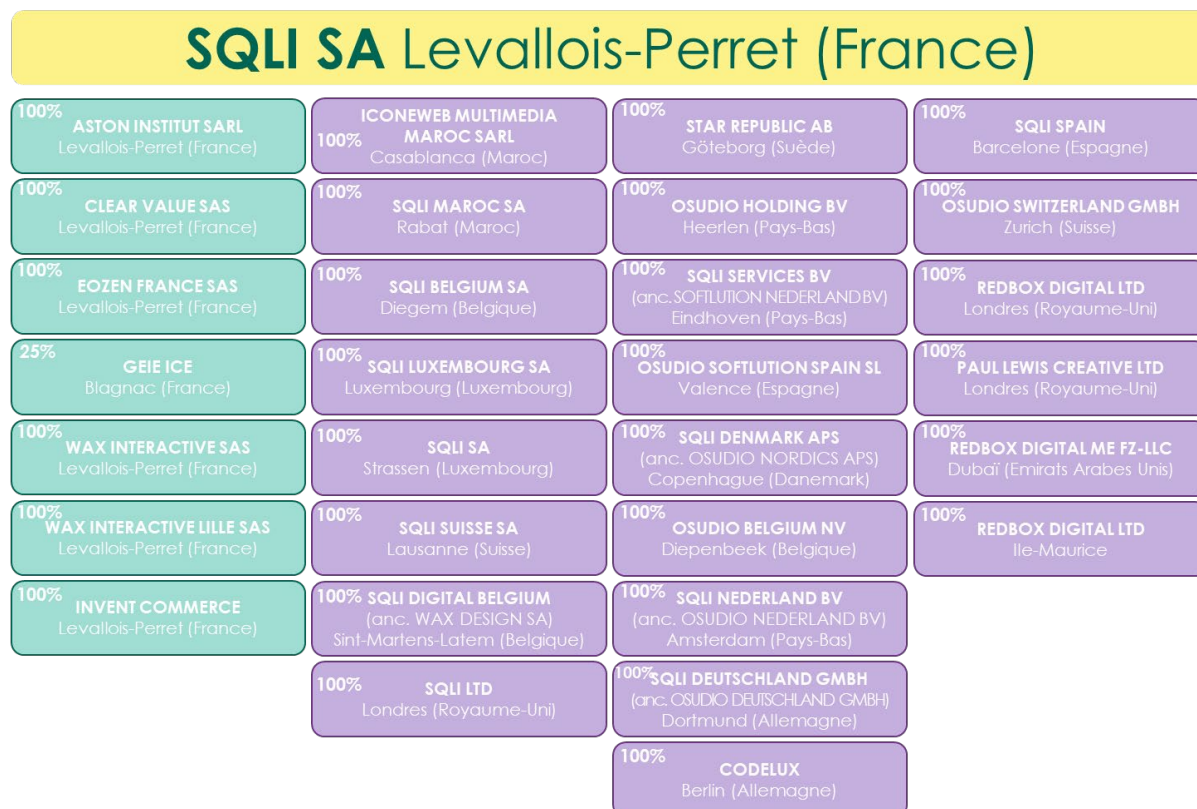
During the 2021 financial year, the SQLI Digital Experience brand became the Group's sole brand, and its deployment was completed in January 2022. The Group is also simplifying its organisation with the triptych SQLI International, SQLI France and "ONE ISC".

Table 1. A unique brand



1.2.2. Organisation chart

Table 2. Legal organisation chart of the SQLI Group as of 31 December 2021



1.2.2.1. Details of certain holdings

ABCIAL and ECOMMERCE4U were dissolved, followed by a universal transfer of their assets to SA SQLI in December 2020.

As of 31 December 2021, SQLI held and settled 100% of the shares of OSUDIO HOLDING BV, STAR REPUBLIC and CODELUX. SQLI holds a 100% stake in the activity carried out by SQLI within the EEIG ICE.

In order to optimise and rationalise resources, during the 2021 financial year, the SQLI Group:

- Completed the closure of the “Cape Town” service centre in South Africa with the dissolution of SQLI PROPRIETARY LTD;
- Ended its operations in Singapore and sold the shares of SQLI Singapore to its manager in January 2021.

1.3. Description of the Group's activities

1.3.1. Activities: European services group dedicated to the digital world

SQLI is a European services group dedicated to digital experience. Since 1990, SQLI has helped companies and brands to develop their business and create the digital experience of tomorrow with the ambition to exceed the expectations of their customers, employees and partners.

The Group has many competitive advantages, which are intrinsic to its business model and which enable it to be a major player in its markets:

- For more than 25 years, the Digital Experience has been our mantra, our compass, our mission.
- A strong European presence - 10 European countries¹ covered - and a global deployment capacity thanks to "ONE ISC" in particular.
- Nearly 2,100 employees with complementary and multidisciplinary skills in technology, consulting and experience design.
- A "Front local + Back nearshore" model combining operational excellence (driven in particular by digital service centres) and competitiveness for key accounts / international brands and renowned medium-sized companies based on:
 - A strong partner ecosystem with leading digital technology vendors, including SAP, Adobe and Microsoft.
 - A flexible methodology, adapted to the projects and specificities of each customer, based in particular on Agility, DevOps, etc.
- Key client references in the market with Airbus, Nespresso, Groupe Seb, Generali, Tarkett, Carlsberg, Miele, L'Oréal, Cdiscount and TotalEnergies, etc. and significant experience with more than 500 "digital experiences" projects.

¹ SQLI European presence: France, Spain, Belgium, Luxembourg, Netherlands, Switzerland, Germany, United Kingdom, Sweden and Denmark.

Table 3. The SQLI business model

Modèle Ressources	Modèle Métiers					Valeurs créés pour les parties prenantes
Industriel Agences locales « nouvelle génération » / Proximité Clients	Expertises	Partenaires technologiques	Front-End Back-End	International	Méthodologie Projets	Collaborateurs Satisfaction des collaborateurs
Humain 2 100 collaborateurs	Conseil Digital Data & Insight Customer Experience Design Experience E-Commerce Plateforme d'Expérience Technologie & Transformation	Plateformes E-commerce Plateformes Marketing Plateformes PIM Plateformes CMS	Agences locales proches des clients 3 centres de services d'excellence	Présence dans 13 pays en Europe et au Moyen-Orient Capacité de déploiement internationale	Flexible et adaptée aux projets clients Lean Scrum Agile Tribe Atelier de co-conception	Clients Fidélité clients & Satisfaction clients Qualité des projets
Intellectuel Communautés d'experts et esprit d'innovation / Formation						Actionnaires Création de valeur et développement long terme
Financier Une structure financière saine Une capacité d'accès au marché						Financiers Gestion des Risques & Ethique Préparation à la croissance du Groupe
Gouvernance Une structure de gouvernance adaptée aux ambitions						Social Ethique Démarche RSE



1.3.2. Services

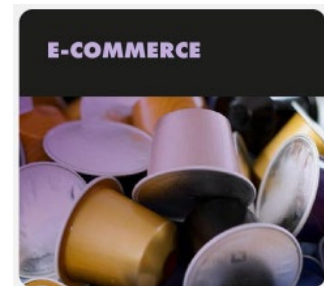
- SQLI is committed to the digital success of its customers. “We are designers and technical and creative players, who deliver engaging experiences that drive business growth in the digital world.”
- In a hyperconnected world where users are in high demand and have a short attention span, SQLI believes that engagement depends on a brand’s ability to create a unified Digital experience that suggests more than it imposes, to capture users’ attention at the right time, in the right place and to convert it into desire and trust.



✕ 3 emblematic services



- SQLI’s vision of technology is agnostic, pragmatic and user-centred. This is part of the SQLI DNA.
 - SQLI builds technological environments for scalable platforms and personalised digital solutions, while prioritising its customers’ interests, thanks to the expertise and commitment of its Digital-passionate teams.
 - Its teams adopt methodological tools to design, architect and implement Digital transformation.
-
- In a highly competitive environment, SQLI helps brands stay ahead of their connected commerce challenges and increase their revenues by combining the best of strategy, design and technology.
 - SQLI designs holistic experiences focused on the emotion and value provided to users at each stage of their journey.
 - SQLI builds architectures based on the main e-commerce platforms that are sufficiently flexible to seize the opportunities of tomorrow.





- SQLI connects or reconnects consumers or users to brands and improves the employee experience and efficiency.
- SQLI designs and builds solutions tailored to company ecosystems, requirements and performance objectives, enabling its employees to create, deliver and optimise personalised and content-rich digital experiences at any time, and anywhere for customers, employees or partners.

✕ 3 complementary areas of expertise

- The SQLI teams of experienced consultants offer a tangible commercial activity with an entrepreneurial approach.
- SQLI helps management teams, Business Units and IS departments to align themselves with a shared innovative vision of a company's digital opportunities.
- SQLI provides a clear and pragmatic strategic vision that translates into a pragmatic operational action plan.



- Highly personalised experiences start with quality data. Across all channels and processes, customers want to work with rich and 100% accurate data.
- SQLI helps organisations establish their data vision and strategy, from decision-making to predictive analytics, and SQLI sets up the platforms that enable them to further develop their business.

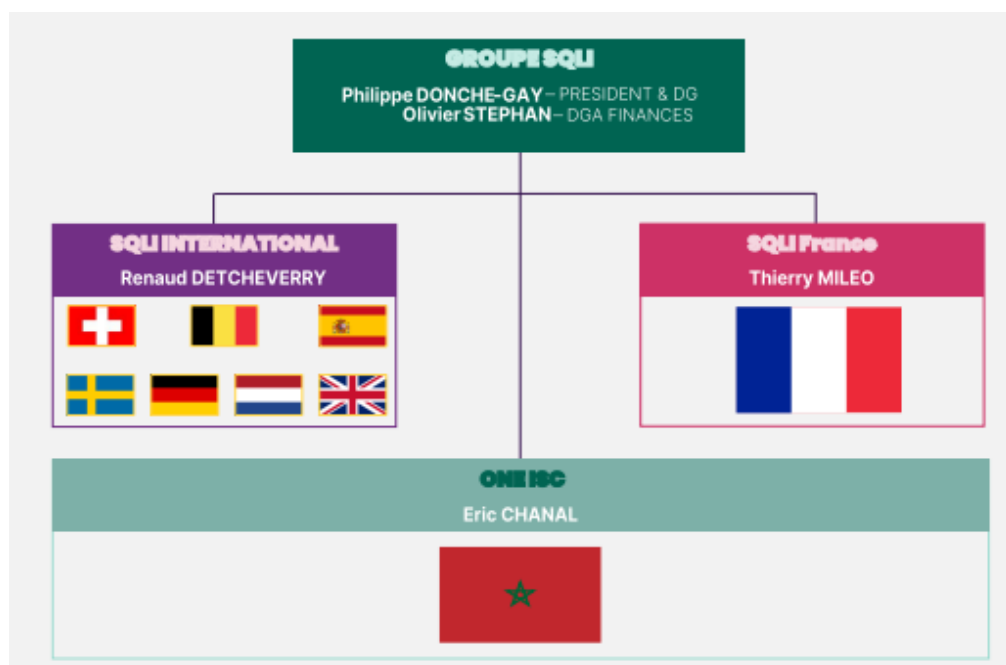
- SQLI enables organisations to design the most appropriate digital strategies and make them real drivers of commercial growth and brand visibility.
- With its "Design Thinking" methodologies, SQLI identifies user needs and designs the most satisfying and appropriate experience at each stage of the user journey for its customers' experience platforms.
- SQLI generates awareness, then conquers users by creating a unique experience that is transformed into sales and loyalty.



1.3.3. Organisation

The Group has simplified its organisation with Renaud DETCHEVERRY in charge of SQLI International and Thierry MILEO in charge of SQLI France (press release of 24 February 2022) and Eric CHANAL in charge of “ONE ISC”.

Table 4. SQLI France and International organisation

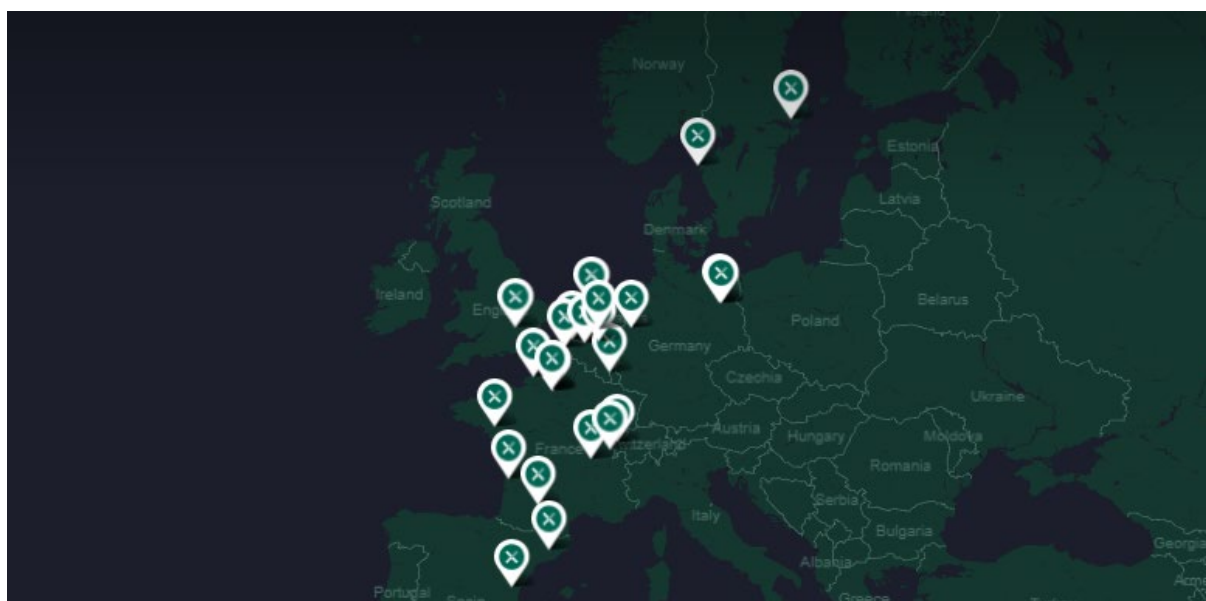


A network of European agencies

The SQLI Group is one of the few international companies, dedicated to digital experience and Unified Commerce, to have such an extensive network of offices in 10 countries allowing it to effectively cover Europe: France, Spain, Belgium, Luxembourg, the Netherlands, Switzerland, Germany, the United Kingdom, Sweden and Denmark; in addition to Morocco, the United Arab Emirates (Dubai) and Mauritius.

This network of local branches provides advice and a local commercial approach to customers and prospects.

Table 5. Geographical presence of SQLI in Europe



The Group will continue to gradually expand its network in the most dynamic markets as part of its development plan, which should enable SQLI to strengthen its position as a leading digital player in Europe. International growth is a key success factor for the SQLI Group.

Digital Services Centre - ONE ISC

The digital service centres are at the heart of the SQLI system and support all of SQLI's services. Joint projects with the centres of expertise in Morocco were accelerated in 2021 and SQLI wishes to focus its development efforts on the digital service centres based in this country (three sites: Rabat, Oujda and Casablanca).

ONE ISC is able to respond to large national/international customers for their platform deployment projects on a global scale.



The main competitive advantages of digital service centres are:

- Mastery of the model based on more than 18 years of experience - 1st nearshore centre created at the end of 2003
- 24/7 French and English speaking support
- > 500 certifications (Scrum, Agile, Java, ISTQB, ITIL and Microsoft) for nearly 700 employees
- An organisation adapted to multi-site projects and to fluctuations in the volume of activity allowing global synergies between all sites (ONE ISC)
- Delivery managed based on KPIs and in transparency with SQLI customers

1.3.4. The Group's driving forces

The SQLI Group's objective is to become a benchmark in its sector among the best companies to work for with an enriching experience.

The Human Resources Director of the SQLI Group¹ supports the Group in its transformation and growth ambition, particularly internationally where a programme to integrate European subsidiaries is underway.

The average headcount amounted to 2,059 in 2021 compared to 2,181 in 2020 (i.e. -5.6%). During the financial year, SQLI recorded a slight decrease in its workforce; the staff turnover rate, close to 25% for the year, returning to a normative level for the digital sector. At the same time, the Group remained at a fairly low level of subcontracting and was in line with the resumption of activity in financial year 2021, the use of subcontracting being limited to rare skills not available internally. Employee training was also encouraged.

The Group has implemented a series of measures to retain employees in a context of a very tight skills market in order to stabilise its staff turnover rate between 20% and 25%.

Table 6. Change in the SQLI Group's headcount over the last two financial years

	2021	2020	Change
Average headcount (excluding interns)	2,059	2,181	-122
Number of employees as of 1 January (excluding interns)	2,101	2,191	-90
Changes in scope	0	56	-56
Increase (decrease)	-54	-146	-92
Headcount as of 31 December (excluding interns)	2,047	2,101	-54

¹ Press release of 17 September 2021 - SQLI announces the appointment of Claire Depanian to the Group's Human Resources Department - <https://www.sqli.com/fr-fr/insights-news/communiqués-de-presse/claire-depanian-rejoint-sqli>

1.3.5. Technological choices - the ingredients for a successful recipe

The partnerships developed by SQLI with the main publishers reflect its desire for technological excellence and customer satisfaction. The Group has recognised expertise in leading digital solutions in Europe, particularly in omnichannel commerce and PIM (Product Information Management) solutions, as well as digital marketing/experience platforms.

Table 7. Main partners



Technological innovations are carried out by the platform publishers and SQLI can recommend the most suitable platform for its customers/prospects given their needs (BtoB, BtoC, sectors, ERP tool integrations, CRM, etc., customisation needs, budget, etc.).

Table 8. Ranking of the main PIM vendors according to Forrester in Q2 2021

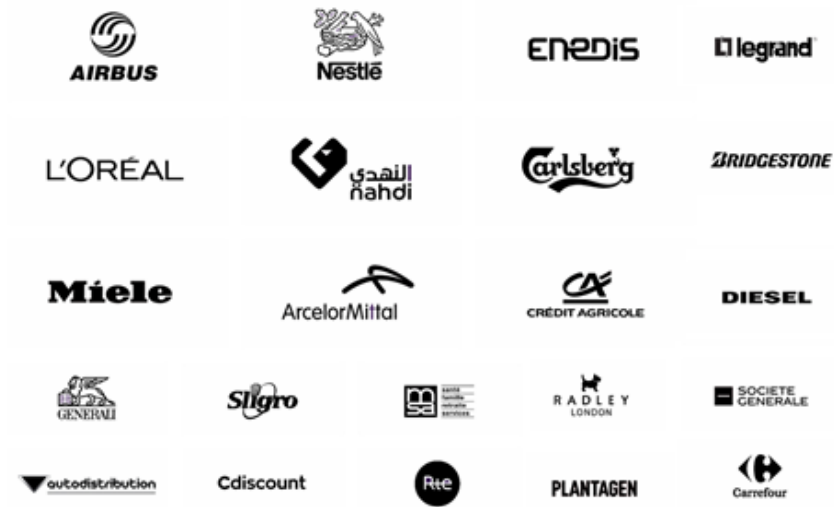


Table 9. Ranking of the main digital commerce platform publishers according to Gartner (August 2021)



Built over the long term, these partnerships are based on in-depth knowledge of solutions and their change over time.

1.3.6. Customer references - Demonstration of SQLI capabilities



1.3.6.1. Some customer projects completed in 2021

MAS Seeds, a subsidiary of Maisadour



A SAP C4C CRM for the 50 countries addressed by MAS Seeds, a subsidiary of Maisadour

➤ OBJECTIVES

- MAS Seeds is one of the European leaders in the breeding and production of hybrid corn and oilseeds. Historically European, it is now developing its sales in 50 countries and generates 85% of its revenue outside France.
- In order to include the commercial activities of the new markets it addresses, SQLI is supporting MAS Seeds in the framing and implementation of the new CRM.

➤ RESULTS

- MAS Seeds entrusted the implementation and deployment of the solution to SQLI, which set up a coordinated organisation based on local management by a team of Bordeaux experts and integration by the SAP solutions specialists of its Belgian office.
- Deployed since January 2021 in the pilot markets, the first version of the CRM has now been live in all subsidiaries since the end of July 2021. At the same time, SQLI prepared and provided training for “key users”, who in turn gradually trained the 250 or so users in other countries, alongside the MAS Seeds team.

INTERSPORT



SQLI overhauls the no. 1 online ski rental website

OBJECTIVES

- Intersport Rent is the leader in ski rental in France. Part of the rental historically goes through the online reservation platform, operating on the principle of “click and collect”.
- The site thus facilitates the network of Intersport stores and provides them with new business drivers.
- The sports equipment manufacturer entrusted the redesign to SQLI.

RESULTS

SQLI relied on two distinct solutions:

- Drupal, for the content management part: the teams have developed an interface enabling the 260 stores to easily create and manage their sites and meet the challenges.
- Sylius, for the transactional part: SQLI has chosen this headless e-commerce framework (pricing complexity and promotion management).

SCOTT SPORTS

SQLI offers the sports equipment manufacturer its SAP Commerce expertise

OBJECTIVES

The SCOTT Sports teams wanted to transform their B2C showcase site into an e-Commerce site, while retaining the SAP Commerce solution in order to:

- Facilitate interconnection with existing tools such as SAP ERP
- Integrate the multi-brand dimension on a single platform to which all the stores of the distribution network are connected
- Centralise customer relationship management
- Offer the click-&-collect functionality to generate in-store traffic and offer demonstrations by sellers of highly technical products (such as the avalanche kit and cycling and ski equipment)



RESULTS

- With the multidisciplinary SQLI team, this shift allows the equipment manufacturer to market nearly 75,000 SKUs, the availability of which is indicated in real time. The synchronisation carried out with the ERP makes inventories go back to the e-commerce site.
- SQLI also intervened to develop the tablet application used by salespeople to take B2B orders. Initially developed under Cordova, it has been stabilised to ensure its connection to SAP to manage flows.

1.3.7. Innovation and brands

1.3.7.1. Research & development activities

In 2021, the Group continued its R&D activities, in particular on the following topics:

Energy

- Work on behalf of a customer, constantly seeking optimisation in order to reduce the maintenance costs of its transport network.

SQLI made a proposal to build a solution to solve four key themes:

- Improve maintenance predictability
- Objectively measure the quality of maintenance operations
- Launch a virtuous process to combat the obsolescence of standards
- Automate the use of maintenance work report content

- Work on behalf of a client, seeking to rationalise the components of its IS, via ongoing projects, in a context of very complex IS architecture and business processes where “continuity in change” must be ensured, despite many blocking points identified.

The aim of this project was to set up a tool to unify the entire management of CLIENT SIM cards (activation, suspension, termination, billing control and WAN diagnostics), which was too heterogeneous and manual.

SQLI sought to design a solution that could allow the unification of this management, as well as the quantitative assessment of the costs of our customer's projects.

The current architectural context, hardware and software as well as business processes, were obstacles; SQLI sought to find solutions to overcome these.

In addition to the management of SIM cards, this solution also had to ensure the control of billing on the old telephone means (France Telecom lines), in order to monitor technological obsolescence.

The final tool that SQLI sought to design had to be interfaced directly with the operator APIs for all the operations to be performed.

E-commerce

- Work as part of a customer project, concerning a weakness identified regarding the difficulties of reporting product data called in user requests via the CUSTOMER portal.

The excessively long response times observed, resulting from the request and processing architectures in place, can in some cases generate time-outs.

This effect can be linked to the combined setups of Google and the CLIENT IS servers.

In light of these deadlocked situations SQLI suggested the design of a solution built around an intelligent brick that would be able to:

- Analyse the product requests made from the CUSTOMER site for the various product repositories of the CUSTOMER IS
- Autonomously design the requests that are sent to the CUSTOMER IS product repositories.

- Work on behalf of a customer, who wanted to redesign their corporate website to transform it into a digital experience platform, which had to be used for the administration and promotion of the services offered by our customer, mainly repair services and replacement of automotive parts.

For our customer, the challenges were:

- Increasing the visibility of the services offered by the CUSTOMER site in order to increase traffic to their site, accelerate appointment requests and customer contact, and the sharing of expertise (with PHE subsidiaries affiliated with our customer's site)
- Ensuring that the chosen solution interfaced with the OKTA identity federation solution, in order to meet the security strategy defined for the Group to which our customer belongs.

The difficulty of this project lay in the management of split user account data, allocation processes that were not in real time / automated, and especially the integration between two solutions that already had their own authentication management system.

Other sectors

- As part of a customer project, and in order to meet the legal requirements for purging personal data required by the GDPR law: creation of an automatic multi-application purging and reporting tool.

Study on the monitoring and control of financial reporting data flows.

In 2021, the Group devoted 3.8% of revenue to expenses eligible for the Research Tax Credit. The SQLI research tax credit for the 2021 financial year amounts to €2.6 million (i.e. a total of €7.3 million over three years with €1.8 million in 2020 and €2.9 million in 2019).

1.3.7.2. Brands

During 2021, the SQLI Digital Experience brand became the Group's only brand, and its deployment was completed in January 2022.

**SQLI
DIGITAL
EXPERIENCE**

In addition, the Group also opened its brand-new single web platform for the entire Group. This multi-country, multi-language site is the result of international collaboration and the showcase of the Group's know-how. It embodies its new visual identity, rolled out last summer, and crosses borders to present a common value proposition.

SQLI does not depend on patents or licenses that would be essential for the performance of its activity. The flagship brand of the SQLI Group (SQLI DIGITAL EXPERIENCE) and the brands discontinued during the 2021 financial year (WAX INTERACTIVE and also OSUDIO, STAR REPUBLIC and REDBOX) benefit from protection in Europe.

All brands belong to the SQLI Group. None directly belong to the Company's executives or their families. The legal protection for trademarks, domain names and copyrights is for the benefit of the company SQLI or its subsidiaries.

SQLI and its subsidiaries benefit from copyright protection under the provisions of the French Intellectual Property Code for all their software solutions and training materials. The essential works have been deposited with bailiffs or specialised custodians.

1.3.8. Main markets and strategies

1.3.8.1. Main markets

The segment information required by IFRS 8 is based on the internal reporting used by the Group's main decision-makers, i.e. SQLI's Chairperson and CEO, and its functional and operational directors.

Since 2021, the Group, which is truly European, has been organised around two geographical areas, France and International, each of which accounts for almost half of the activity.

This organisation was set up to meet the demand of customers in each country who use the Group's technical and digital services.

- The challenges for France are firstly to better control its indirect costs to achieve the average operational profitability of the sector and then to complete its technical base (data, cyber, etc.) before rolling it out internationally.
- The dual challenge internationally is to combine sales growth and a two-figure profitability rate and to fully integrate the companies acquired (medium-size companies for SQLI) before completing its European coverage (in particular Italy, Spain and consolidation in Germany, for example).

Given this organisation, the operating segments "Digital & Technology (DT)" and "Commerce & Experience (CX)" previously analysed by the Group have been replaced by the geographical areas "France" and "International" which correspond to the operational organisation.

Table 10. Revenue and current operating income by business

(in thousands of euros)	2021			2020		
	Revenue	Current Operating Income	% Current operating income	Revenue	Current Operating Income	% Current operating income
France	119,100	3,811	3.2%	114,733	-3,659	-3.2%
International	106,281	9,287	8.7%	98,935	10,808	10.9%
Total	225,381	13,098	5.8%	213,668	7,149	3.4%

In 2021, SQLI recorded total revenue of €225.4 million, up 5.5% compared to 2020. The Group did not make any acquisitions in 2021, a year of recovery, which was marked by uncertainties linked to the pandemic.

In this context, the Group recorded two different situations:

- Internationally, growth continued throughout the year (+7%), in the very buoyant customer and employee digital experience platform market. This followed continuous growth for several years even during the Covid-19 crisis.
The current operating margin (current operating income/revenue) outside France was down by 220 bps due in particular to expenses related to the implementation of the unique SQLI DIGITAL EXPERIENCE brand, currency effects and the end of partial unemployment linked to Covid-19.

- In France, activity has returned to significant growth since the second quarter of 2021, particularly in the regions and in the training activity. As a reminder, this year saw a sharp decline (-24%), major customers such as AIRBUS or customers in the banking sector in particular having sharply reduced their projects.

The current operating margin, in France, improved considerably from -2.9% to 3.2% but remains below the benchmarks of SQLI, which wishes to continue to improve this margin.

1.3.8.2. Outlook, strategy and corporate vision

Outlook

As part of its takeover bid, finalised at the beginning of 2022, SQLI indicated that it was aiming for:

- Average organic growth of 6% per year, taking into account very high customer demand but limited recruitment capacity.
- Current operating profitability of around 10% in 2025, i.e. around 100 points more per year by relying in particular on increased use of "ONE ISC" to reduce personnel costs and the reduction of technical assistance in favour of assignments in project mode and the continued decline in fixed costs.

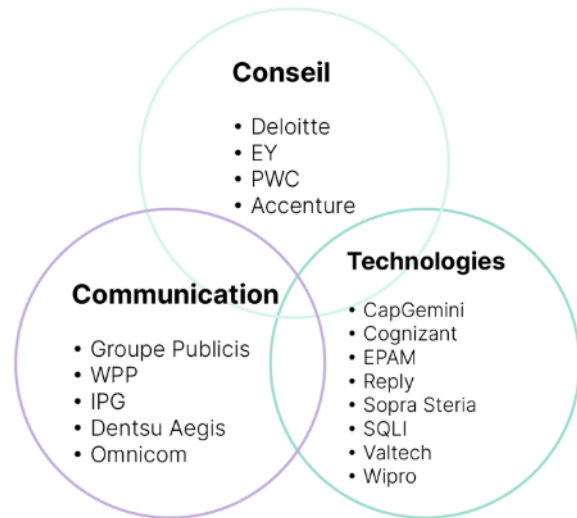
This plan has the following objectives according to geographical area:

- In France, the priority is on profitability to return to the right market average
- Internationally, the objective is to continue dynamic growth with double-digit profitability

1.3.8.3. Group competitive position

As a “Digital Experience Service Provider”, SQLI competes with three main types of players:

- Groups with a history based on Technology
- Consulting firms
- Groups with a history based on Communication.



Today, SQLI is recognised as a “Digital Experience Service Provider” by market analysts. Companies in this sector are “partners that help companies design, build and manage the digital customer experience in the context of their business’ digital transformation.”

They must combine marketing expertise and technological expertise.

Among these groups, SQLI joined the Top 20 agencies dedicated to digital experience in Europe (Source: Forrester).

Table 11. Digital Experience Agencies in Europe¹

Groupes réalisant plus de 400M€ de revenus dans le domaine de la « Digital Experience » (DX)	Groupes réalisant entre 125M€ et 400M€ de revenus dans le domaine de la « DX »
<ul style="list-style-type: none"> • CapGemini • Accenture • Deloitte • IBM • Groupe Publicis • WPP 	<ul style="list-style-type: none"> • Cognizant • EPAM • EY • HCL Technologies • IPG – InterPublic Group • Omnicom • PWC • Reply • Sopra Steria • SQLI • Tata Consulting Services • Valtech • Wipro

¹ Source: Forrester - Q3 2018.

1.4. Analysis of financial year 2021

The data set out below are understood as consolidated data. The accounting rules and methods required for their preparation are indicated in Section 4.1. "Consolidated financial statements as at 31 December 2021", Section II. "Accounting rules and methods, notes and explanatory notes".

1.4.1. Analysis of the income statement

Table 12. SQLI Group consolidated income statement

Data in thousands of euros	2021	2020	Change
Revenue	225,381	213,668	11,713
Other operating income	3,814	5,035	-1,221
Purchases consumed	-1,515	-1,442	-73
Personnel expenses	-127,099	-131,947	4,848
External expenses	-72,132	-63,500	-8,632
Taxes and duties	-3,716	-3,187	-529
Depreciation, amortisation and provisions (net)	-11,652	-11,491	-161
Other operating income and expenses	17	13	4
Current Operating Income	13,098	7,149	5,949
Impairment of goodwill	0	0	0
Other non-recurring operating income and expenses	-1,389	303	-1,692
Operating income	11,708	7,452	4,256
Income (expenses) from cash and cash equivalents	-396	-11	-385
Cost of gross financial debt	-1,873	-2,341	468
Cost of net financial debt	-2,269	-2,352	83
Other financial income and expenses	-409	-78	-331
Income before tax	9,030	5,022	4,008
Tax expense	-3,734	-4,849	1,115
Net income (before income from discontinued operations or in the process of being sold)	5,297	173	5,124
Net income from discontinued operations or activities in the process of being sold	0	0	0
Net income for the consolidated group	5,297	173	5,124
Group share	5,297	173	5,124
Non-controlling interests	0	0	0

1.4.1.1. Revenue analysis

During the financial year ended 31 December 2021, revenue amounted to €225.4 million compared to €213.7 million for the previous financial year, i.e. an increase of +5.5% on a reported basis and +4.8% at constant scope and exchange rates. The Group recorded a return to growth, both in France (+4% over the full year) and internationally (+ 8% over the full year). 53% of the annual activity was generated in France (€119.1 million) and 47% outside France (€106.3 million). The detailed analysis by activity can be found in section 1.3.7. "Main markets and strategies".

The Group did not make any acquisitions in 2021, a year of recovery, which was marked by uncertainties linked to the health crisis.

As a reminder, in the first quarter of 2021, SQLI benefited from the scope effect linked to the integration, in March 2020, of Redbox Digital, an e-Commerce agency located in the United Kingdom and the Middle East. The following three quarters were driven by purely organic growth.

In this context, the Group recorded two different situations:

- Internationally, growth continued throughout the year (+7%), in the very buoyant customer and employee experience platform market. This follows continuous growth for several years even during the Covid crisis.
- In France, activity has returned to significant growth since the second quarter of 2021, particularly in the regions and in its training activity. As a reminder, 2020 saw a sharp decline (-24%), its major customers such as AIRBUS or its customers in the banking sector having significantly reduced their projects.

1.4.1.2. Analysis of results

Current Operating Income

In a context of increased revenue and cost control, current operating profit increased by 83.2% and amounted to €13.1 million compared to €7.1 million the previous year.

Current operating income represented 5.8% of revenue in 2021, compared to 3.3% in 2020.

The detailed analysis by activity can be found in section 1.3.7. "Main markets and strategies".

EBITDA, i.e. current operating income of €13,098 thousand plus depreciation, amortisation and provisions of €11,652 thousand, went from €18,640 thousand for the 2020 financial year to €24,750 thousand for the 2021 financial year. EBITDA (excluding IFRS 16) was also up by 85% to €15.2 million.

Operating income

Operating income for 2021 amounted to €11.7 million, up 57.1% (compared to €7.5 million in 2020).

Details of non-recurring expenses are provided below in the section entitled "Other non-recurring operating income and expenses".

Operating income represented 5.2% of revenue in 2021, compared to 3.5% in 2020.

Net income

After taking into account the cost of net financial debt (€2.3 million), other financial income and expenses (€0.4 million) and the tax expense (€3.7 million), net profit increased significantly to €5.3 million compared to €0.2 million in 2020.

1.4.1.3. Analysis of operating expenses

For the 2021 financial year, 58.8% of operating expenses¹ were personnel expenses (62.4% in 2020) and 33.4% were external expenses (30.0% in 2020).

Personnel expenses

Personnel expenses amounted to €127,099 thousand, compared with €131,947 thousand for the previous financial year, a decrease of 3.7%. As a reminder, the average number of employees stood at 2,059, compared with 2,181 a year earlier, representing a change of -5.6%.

Table 13. Change in personnel expenses

(in thousands of euros)	2021	2020	Change
Wages and salaries	96,442	99,869	-3,427
Social charges	30,657	32,078	-1,421
Personnel expenses	127,099	131,947	-4,848
Provision for retirement benefits and other employee benefits	-90	210	-300
Total personnel expenses	127,009	132,157	-5,148

External expenses

External expenses were up 13.6% from 2020 to 2021, from €63,500 thousand to €72,132 thousand, notably due to the resumption of activity and the use of subcontracting, i.e. +17.0%, which returned to 2019 levels. The use of subcontracting is limited to rare skills not available internally.

¹ Operating expenses consist of "Purchases consumed", "Personnel expenses", "External expenses", "Taxes and levies" and "Additions (net) to depreciation, amortisation and provisions", i.e. a total of -€216.1 million for the 2021 financial year.

Table 14. Change in external expenses

(in thousands of euros)	2021	2020	Change
General subcontracting	54,913	46,941	7,972
Rentals and rental expenses	1,308	1,650	-342
Maintenance and repairs	2,906	2,196	710
Insurance premiums	701	783	-82
Miscellaneous documentation	414	363	51
Fees and external personnel	6,281	5,506	775
Advertising, public relations	1,378	1,295	83
Transport of goods	18	25	-7
Travel, missions and receptions	1,272	1,770	-498
Postal and telecommunications costs	1,245	1,208	37
Banking services	230	257	-27
Other external services	1,466	1,506	-40
Total external expenses	72,132	63,500	8,632

Other non-recurring operating income and expenses

Non-recurring income and expenses amounted to -€1,389 thousand for 2021 compared to +€303 thousand for 2020 and break down as follows:

Table 15. Change in non-recurring operating income and expenses

(in thousands of euros)	2021	2020	Change
Restructuring costs	-1,029	-3,179	2,150
Business combinations	186	2,886	-2,700
Other transactions relating to agreements and disputes	-158	-1,293	1,135
Effect of changes in estimates	-388	1,889	-2,277
Other non-recurring operating income and expenses	-1,389	303	-1,692

For the 2021 financial year, other non-recurring income and expenses mainly include reorganisation and support costs as part of the takeover bid (€ 1.0 million).

Cost of net financial debt

The cost of net financial debt amounted to €2.3 million in 2021 compared to €2.4 million for 2020.

Table 16. Cost of consolidated net financial debt of the SQLI Group

(in thousands of euros)	2021	2020	Change
Income from loans and receivables	0	19	-19
Net income on the sale of marketable securities	-396	-30	-366
Income from cash and cash equivalents	-396	-11	-385
Interest expenses	-1,251	-1,391	140
Interest expense on lease liabilities	-614	-883	269
Factoring financing commissions	-26	-25	-1
Interest rate hedging instrument	18	-42	60
Cost of gross financial debt	-1,873	-2,341	468
Cost of net financial debt	-2,269	-2,352	83

1.4.2. Analysis of the balance sheet, cash and capital

1.4.2.1. Consolidated equity

At 31 December 2021, shareholders' equity amounted to €100,921 thousand compared to €94,330 thousand at 31 December 2020. Shareholders' equity increased due to the overall income for the period.

Table 17. Table of changes in shareholders' equity over the last three financial years

(in thousands of euros)	Number of shares	Capital	Premiums	Reserves	Profit for the year	Translation adjustments and actuarial gains and losses	Group share	Shareholders' equity Minority interests	Total
Situation at 31/12/2019	4,613,975	3,691	49,868	35,347	4,674	1,135	94,715		94,715
Appropriation of income				4,674	-4,674				
Allocation of stock options			226				226		226
Distribution of dividends				-107			-107		-107
Treasury shares			-169				-169		-169
Comprehensive income for the period					173	-508	-335		-335
Situation at 31/12/2020	4,613,975	3,691	49,925	39,914	173	627	94,330		94,330
Appropriation of income				173	-173				
Allocation of stock options			166	0			166		166
Distribution of dividends				-23			-23		-23
Treasury shares			529				529		529
Comprehensive income for the period					5,297	622	5,919		5,919
Situation at 31/12/2021	4,613,975	3,691	50,620	40,064	5,297	1,249	100,921		100,921

1.4.2.2. Consolidated cash flows

At the end of the 2021 financial year, the available cash of the SQLI Group amounted to €32,469 thousand compared to €38,785 thousand at the end of 2020.

Table 18. Consolidated statement of cash flows of the SQLI Group

(in thousands of euros)	2021	2020	Change
Cash flows from operating activities	15,936	24,917	-8,981
Cash flows from investment activities	-5,771	-10,178	4,407
Cash flows from financing activities	-16,882	4,436	-21,318
Change in cash flows	-6,316	19,175	-25,491
Cash and cash equivalents as at 1 January	38,785	19,758	19,027
Impact of exchange rate differences	401	-148	549
Cash and cash equivalents at 31 December	32,469	38,785	-6,316

The change in WCR is less favourable than in 2020 (in a recession), because it is necessary to “finance” the growth of the activity and because the company had significantly improved its customer lead time in 2020.

Table 19. Consolidated operating cash flows

(in thousands of euros)	2021	2020	Change
Net income for the consolidated group	5,297	173	5,124
Net depreciation, amortisation and provisions	12,027	11,996	31
Changes in fair value of financial instruments	166	-3,575	3,741
(Gains) losses on disposals	273	-27	300
Other income and expenses with no impact on cash	361	0	361
Cash flow from operations (after cost of financial debt and tax)	18,124	8,567	9,557
Income tax expense (including deferred taxes)	3,734	4,849	-1,115
Cost of financial debt	1,873	2,341	-468
Cash flow from operations (before cost of financial debt and tax)	23,731	15,757	7,974
Change in customers	-7,123	15,670	-22,793
Change in suppliers	2,683	-9,711	12,394
Change in other current assets and liabilities	-23	6,221	-6,198
Income tax (paid) refunded	-3,332	-3,020	-312
Cash flows from operating activities	15,936	24,917	-8,981

Cash flow from investing activities improved by €4,407 thousand. Changes in scope mainly concern the exercise of purchase options such as for OSUDIO (for €2,327 thousand), REDBOX (for €626 thousand) and STAR REPUBLIC (for €413 thousand).

Table 20. Cash flows from investment activities

(in thousands of euros)	2021	2020	Change
Acquisitions of fixed assets	-2,456	-1,929	-527
Disposals of fixed assets	58	126	-68
Changes in scope ¹	-3,373	-8,375	5,002
Cash flows from investment activities	-5,771	-10,178	4,407

Consolidated cash flows from financing activities were negative at -€16,882 thousand for 2021, taking into account loan repayments for €6,007 thousand and repayment of lease liabilities for €8,914 thousand.

Table 21. Consolidated cash flows from financing activities

(in thousands of euros)	2021	2020	Change
Capital increases	0	0	0
Dividends paid to minority shareholders	0	-107	107
Acquisition (sale) of treasury shares	131	-169	300
Loan issues	48	25,000	-24,952
Loan repayments	-6,007	-4,879	-1,128
Repayment of lease liabilities	-8,914	-8,734	-180
Interest paid on lease obligations	-614	-883	269
Interest paid	-1,526	-1,063	-463
Subscription of other financial debts	0	0	0
Repayment of other financial debts ²	0	-4,729	4,729
Cash flows from financing activities	-16,882	4,436	-21,318

1.4.2.3. Main investments in progress and financing method / expected sources of funding

The SQLI Group has not undertaken to make or continue any major investments during the 2021 financial year and subsequent years apart from the commitments described in 5.1.4. "Capital subject to an option or a conditional or unconditional agreement to place it under option".

To carry out its current investments, the SQLI Group will use a portion of its gross available cash, which amounts to €32,551 thousand as at 31 December 2021³.

¹ Including the exercise of OSUDIO (€2,327 thousand), REDBOX (€626 thousand) and STAR REPUBLIC (€413 thousand) calls.

² Repayment of the mobilisation to the factor of non-deconsolidated trade receivables.

³ Cash on balance sheet assets of €32,551 thousand (€39,811 thousand at 31 December 2020) net of bank overdrafts of €82 thousand (€1,026 thousand in 2020).

1.4.2.4. Financing requirements and financing structure

Structure of the gross financial debt

At 31 December 2021, gross financial debt totalled €48,963 thousand compared to €55,478 thousand at the end of the 2020 financial year, mainly taking into account the repayment of loans and the retention of the State-guaranteed loan.

Table 22. Gross financial debt of SQLI over the last two financial years

(in thousands of euros)	2021	2020	Change
Borrowings from credit institutions	39,137	47,555	-8,418
Guarantees received	48	0	48
Valuation of interest rate hedging instruments	0	243	-243
Non-current liabilities	39,185	47,798	-8,613
Borrowings from credit institutions	8,974	5,891	3,083
Guarantees received	0	13	-13
Bank overdrafts	82	1,026	-944
Accrued interest not yet due	544	700	-156
Valuation of interest rate hedging instruments	178	50	128
Current liabilities	9,778	7,680	2,098
Total gross financial debt	48,963	55,478	-6,515

Gross financial debt mainly comprises €48,111 thousand in borrowings from credit institutions at end 2021 (compared to €53,446 thousand at end 2020). Analysis of gross financial debt by maturity is presented in note 14 to the consolidated financial statements presented in E) IV) of the consolidated financial statements (section 4.1 "Annual consolidated financial statements as at 31 December 2021" of this Universal Registration Document).

Table 23. Borrowings from credit institutions

Bank	Nominal amount (in thousands of euros)	Availability	Duration Years	Rate for the period	Reimbursement	Deferred period	Position at 31/12/2020 (in thousands of euros)	(-) Repayment/+ Subscription in 2021 (in thousands of euros)	Position at 31/12/2021 (in thousands of euros)
BPI France	2,500	11/2014	7	Fixed rate = 2.84%	20 quarterly payments	24 months	750	-500	250
BPI France	2,500	11/2014	10	Fixed rate = 4.43%	28 quarterly payments	36 months	1,607	-357	1,250
BPI France	5,000	03/2017	7	Fixed rate = 1.57%	20 quarterly payments	24 months	3,750	-1,000	2,750
BPI France	2,000	03/2017	7	Fixed rate = 1.79%	20 quarterly payments	24 months	1,500	-400	1,100
Banking pool ¹	33,000	03/2017	7	EUR 12 +3.15%	In fine 03/2024	No	7,864	0	7,864 ²
		05/2017	6	EUR 3 +2% ³	Annual of €1.1 million until 2022 and €1.8 million in 03/2023		3,731	-1,050	2,681 ⁴
		09/2017	6	EUR 3 +2%	Annual of €2.7 million until 2022 and €4.5 million in 03/2023		9,594	-2,700	6,894 ⁵
State-guaranteed loan (PGE)	25,000	05/2020	1	0.66% ⁶	Rating ⁷		24,650	+672	25,322

¹ Banking pool composed of Banque Palatine, BNP Paribas, BNP Paribas European SME Debt Fund, Société Générale and Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire

² €8,000 thousand less borrowing costs of €136 thousand. Repayment in fine in 03/2024.

³ Margin set according to the ratio Net Financial Debt / consolidated EB.

⁴ €2,800 thousand less borrowing costs of €119 thousand. Annual repayment of €1.1 million until 2022 and €1.8 million in March 2023.

⁵ €7,200 thousand less borrowing costs of €306 thousand. Annual repayment of €2.7 million until 2022 and €4.5 million in March 2023.

⁶ Average rate within the banking pool.

⁷ State-guaranteed loan (PGE) recorded at its fair value of which €322 thousand in interest capitalised as of 31 December 2021.

Total	53,446	5,335	48,111
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1.4.2.5. Net financial debt

As at 31 December 2021, SQLI posted a net financial debt of €16,412 thousand compared to €15,667 thousand at 31 December 2020; without using factor financing, for shareholders' equity of €100,921 thousand. The ratio of net financial debt to shareholders' equity is stable (16.3% at 31 December 2021 compared to 16.6% at 31 December 2020).

As a reminder, the Group took out a state-guaranteed loan (PGE) to safeguard its cash flow at the start of the health crisis. The good cash generation linked in particular to the good management of the trade receivables enabled the Group to stabilise its net debt and to respect its banking covenants under very good conditions.

Table 24. Net financial debt of SQLI over the last two financial years

(in thousands of euros)	31/12/2021	31/12/2020	Change
Total gross financial debt	48,963	55,478	-6,515
Cash and cash equivalents	-32,551	-39,811	7,260
Total net financial debt	16,412	15,667	745

1.4.2.6. Refinancing of the SQLI Group in Q1 2022

Following the success of the takeover bid by DBAY Advisors, SQLI restructured its debt in February 2022. The debts (syndicated loan, PGE and BPI lines) in the total amount of €49 million were repaid and two new financings were put in place with TIKEHAU:

- Unitranche financing of €28 million over 7 years with flexibility;
- An available Capex line of €20 million to finance acquisitions.

The Group also negotiated a RCF for €10 million with BPI and two of its historical banks (Caisse d'Épargne BPL and Banque Palatine).

1.4.2.7. Possible restriction on the use of capital

Under the credit agreement dated 16 March 2017 and renegotiated in December 2020, the following financial ratios must be met and result in early repayment in the event of non-compliance:

- $R2 = \text{Net financial debt} / \text{consolidated EBITDA} < 2.25$;
- $R4 = \text{Net financial debt} / \text{Shareholders' Equity} < 1$.

These ratios were met as of 31 December 2021.

1.4.3. Dividend distribution policy

We remind you that SQLI has distributed dividends:

- For the financial year ended 31 December 2020, in the amount of €0;
- For the financial year ended 31 December 2019, in the amount of €0;
- For the financial year ended 31 December 2018, in the amount of €0;
- For the financial year ended 31 December 2017, in the amount of €0;

- For the financial year ended 31 December 2016, in the amount of €3,417,734.40.

1.4.4. Trend information

Trend information

The SQLI Group abandoned its objectives of the ONE FORCE 2022 plan in particular due to the Covid-19 crisis which impacted the Group's growth and its ability to rapidly improve its profitability and due to the abandonment of the "Commerce & Experience" and "Digital & Technology" segments.

The market for digital and experience platforms is growing strongly in this post-Covid-19 phase because companies have now made investment in or the modernisation of such platforms a top priority.

The Group is organising itself to manage this growth in the context of a "talent war", particularly for development engineers and IT project managers. This action is obviously taking place in Europe where the Group is present through local establishments but also in Morocco where it has a recognised Innovation and Services Centre.

For more details on the outlook, please refer to Section 1.3.8.2. "Outlook, strategy and corporate vision".

Ukraine

The Group has very little activity in Ukraine apart from a few developers.

At the date of filing of this document, the impact of this crisis on the Group's future results remains difficult to quantify even if the Group does not have a commercial presence in Russia or Ukraine. It should be noted that the use of developers from these two countries is very marginal for SQLI.

1.5. Risk factors

The Company has conducted a review of the risks that could have a material adverse effect on its business, financial position or results (or on its ability to achieve its objectives) and considers that there are no other significant risks than those set out below.

In particular, the Company has not identified, at the date of registration of this URD, any significant risk factors related to any governmental, economic, budgetary or monetary policy that could materially directly or indirectly affect the Company's operations.

However, the Company cannot exclude the possibility that other risks may materialise in the future and have a material adverse effect on the Group, its business, its financial position, its results or its development.

The Company presents only the most significant risks specific to the Company. For each of the risks described below, the Company has reviewed the gross risk, as it exists in the context of the Company's business; and has taken into account the measures implemented by the Company to manage this risk. The application of these measures to gross risk allows the Company to analyse a net risk. The Company assessed the degree of criticality of the net risk, which is based on the joint analysis of two criteria:

- The magnitude of their negative impact;
- Their probability of occurrence.

The use of this method leads to the ranking of risks as follows; according to four categories: "limited", "reasonable", "medium" and "significant":

Table 25. Risk prioritisation

Impact scale	Major	Reasonable risk	Medium risk	Significant risk
	Significant	Reasonable risk	Medium risk	Medium risk
	Important	Limited risk	Reasonable risk	Reasonable risk
		Unlikely	Possible	Probable
		Occurrence scale		

The eight risks identified, significant and specific to the issuer, are mapped below according to four categories: "limited", "reasonable", "medium" and "significant" (combining an assessment of the magnitude of the impact of the risk and its probability of occurrence). The most significant risk factors are mentioned first in each category, in accordance with Article 16 of the Prospectus Regulation.

Table 26. SQLI specific risk mapping

Impact scale	Major			
	Significant	1.5.4. Image and reputation risk 1.5.5. Risk related to international development	1.5.2. Customer risk 1.5.3. Risk related to the competition and technological progress	1.5.1. Risk related to recruitment and staff retention
	Important	1.5.6. Liquidity risk 1.5.7. Risk related to legal liability 1.5.8. Operational security and data protection risk		
		Unlikely	Possible	Probable
		Occurrence scale		

In addition, the risks in terms of social and environmental responsibility are presented in Chapter 3. "Social, environmental and societal information".

- Social issues: see section 3.5. "Social issues":
 - Attractiveness, talent retention, well-being and engagement,
 - Skills development and transformation,
 - Diversity and equal opportunity;
- Ethics and governance issues: see section 3.5. "Ethics and governance issues":
 - Ethics and compliance,
 - Customer satisfaction,
 - Operational security including cyber security and data protection;
- Environmental issues: see section 3.7. "Environmental issues":
 - Environmental impact.

1.5.1. Risk related to recruitment and staff retention (Medium risk)



DESCRIPTION OF THE ISSUE:

The digital environment (consulting, marketing and technology) is extremely tense in terms of human resources, with the high value-added and fast-growing businesses in this sector consuming a great deal of qualified and expert labour.

The ability of the SQLI Group to grow over the coming years and to respond positively to the demands of its customers also depends on its ability to attract, recruit, motivate and retain competent and expert people in its field.

The SQLI Group is thus exposed to the scarcity of available human resources and to the recruitment of its best potential by its competitors or its own customers.

Under these conditions, the risk of encountering difficulties in terms of recruitment and retention may exist.

Recruitment difficulties and an increase in turnover could therefore make it impossible to serve the Group's strategy in order to support the Group's growth.

In addition, the lack of investment in the quality of life at work and in the transmission of the Company's values can be the cause of a disengagement, a lack of motivation or even a significant number of departures of employees to competitors.

In order to mitigate this risk of departures, particularly of key employees, including in the event of external growth, the SQLI Group may be forced to grant salary increases that are not immediately reflected in its pricing, so that the Group's activity and future results could be degraded.

In view of the current health context linked to the Covid-19 epidemic, the well-being, safety and health protection of employees are all the more important for the Group.

Therefore, in order to address all of these risks, the SQLI Group must be able to meet the following challenges:

- Attract the best Digital professionals and retain talent;
- Providing an environment that promotes quality of life at work, protects the health and safety of employees;
- Motivate all employees to participate in the Group's projects.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

As part of the policies and actions carried out in terms of attractiveness, talent retention, well-being and engagement, the SQLI Group contributes to the following SDGs: 3 (Good health and well-being) and 8 (Decent work and economic growth).

GROUP RECRUITMENT POLICY AND INTEGRATION OF COMPANIES ACQUIRED:

The SQLI Group implements a recruitment policy based on a consolidated Recruitment Plan and a selective recruitment policy, based on technical and language tests and HR interviews focused on candidates' skills. As part of the integration of new hires, every month SQLI organises an induction seminar combining information and presentation of the Group, local information, meetings with managers and cohesion actions. These seminars are performed in person when the health context allows, or remotely. The SQLI Group also appoints a mentor in charge of facilitating the integration of the new employee on a daily basis. Concerning the integration of employees resulting from acquisitions, the SQLI Group carries out operational due diligences enabling it to understand the integration challenges and prepares an integration plan for each of the target companies. With respect to the intensification of its international expansion, at the start of 2022, the SQLI Group created a SQLI International Human Resources Department to facilitate the integration of the companies acquired and harmonise the Group's practices.

CO-OPTATION CAMPAIGN:

In order to attract new talents, the SQLI Group has set up a co-optation system in France, Belgium, Switzerland, Spain and Morocco. Thus, for any co-optation carried out by a SQLI employee, the latter receives a bonus of a predefined amount. This practice not only attracts new talent but also helps to retain employees already hired. The SQLI Group also organises co-optation challenges, on a seasonal basis and for certain profiles, thus rewarding the strongest contributors to co-opting. In 2021, 14% of SQLI company recruitments were carried out via the co-optation system.

REINFORCEMENT OF TELEWORKING:

Due to the epidemic waves of Covid-19, the SQLI Group once again prioritised remote working in 2021. Prior to the health crisis, the SQLI entity (France) had already implemented this mode of working via Flex@Sqli. A new remote working system was implemented in early April 2022.

HR TEAM LEADER:

In order to be more attentive to employees and better meet their expectations, SQLI promotes close relations. We thus created in 2020, within our companies located in France, Switzerland, Belgium, Spain, the United Kingdom and Morocco, the role of HR Team Leader, responsible for ensuring the career development of the eight employees he/she monitors on average along with the conditions of the assignment and integration within the Group. The HR Team Leader is also a real link between the Group's strategy and the daily lives of our employees. The SQLI Group has also created an e-learning certification course on managerial practices and the role of the HR Team Leader, to which each HRTL has access.

DEPLOYMENT OF THE HR CYCLE:

The HR cycle is a transparent and fair career support cycle based on performance, potential and compensation. It consists of three highlights: the People Review, Salary Reviews and the Annual Performance Report. Each year, the employees carry out an annual performance review with their manager or HR Team Leader. This annual performance review is a key practice in the management of human resources at the SQLI Group. It makes it possible to take stock of the work accomplished, set new objectives, and better understand the expectations and difficulties encountered by employees. Despite the health crisis, 98% of employees in the SQLI entity (France) completed an annual performance review in 2021, which is up 9 points compared to the previous year. In 2021, the HR Cycle system was reorganised to integrate, in 2022, SQLI UK LTD (ex REDBOX), STAR REPUBLIC and OSUDIO.

MANAGEMENT OF THE COVID-19 CRISIS:

The actions implemented in 2020 in response to the health crisis continued in 2021, including in particular:

- Teleworking extended to all employees during lockdown periods,
- Daily support for managers, in particular via our One Genius e-learning platform and its module dedicated to remote management,
- Reinforcement of the link with our employees through daily communication actions (fun and positive internal newsletters), regular virtual meetings and information on the evolution of the situation and the measures put in place by the Group.

The SQLI company (France) also completed, in April 2021, a Mood@sqli survey to analyse how employees felt in light of the health crisis. The results of this survey were presented to employees during feedback meetings organised by the agency. This survey showed that 94% of employees responded that they felt that they had received a good level of information during the health crisis (agency measures, HR measures, etc.), 80% declared that they had a suitable work space for remote working and 88% feel that they belong to a supportive team.

PREVENTION OF PSYCHOSOCIAL RISKS:

Actions to improve working conditions, the introduction of teleworking and the local monitoring carried out by the HR Team Leaders contribute to the prevention of psychosocial risks and the improvement of well-being at work. The SQLI company (France) regularly monitors psychosocial risks through the implementation of various measures (e.g. employees choose a "smiley face" from their monthly activity report representing their state of mind for the month. They also have the option, in the comment box of their report, to address the topics of their choice). The SQLI Group has also created a list of training sessions on the "One Genius" platform aimed at managers to raise awareness, particularly remote management and to identify psychosocial risks.

In addition, the SQLI UES (economic and social unit) has a Health, Safety and Working Conditions Committee (CSSCT), whose mission is to contribute to the protection of the physical and mental health and safety of workers as well as to improving working conditions and ensuring compliance with legislative and regulatory requirements in these areas.

OCCUPATIONAL HEALTH AND SAFETY TRAINING:

In 2021, 79 employees completed occupational health/safety related training in France and 62 completed Serre file – Guide file training (training which teaches employees techniques and information relating to an evacuation due to fire). The aim of this training was to reinforce employees' knowledge and teach them good practices to implement relating to occupational health and safety. A "Flex@SQLI" module was also created via the "One Genius" platform to advise employees on health and safety relating to remote working (how to adapt their work space, remain in good physical and mental health when remote working, etc.).

CODE OF CONDUCT:

Every employee has the right to respect for his or her fundamental rights, in particular those relating to the dignity of the human person and to protection against all forms of violence, harassment or discrimination. The Group is committed to ensuring that the professional environment is free from any harassment, and in particular from any intimidation, any sexual advances, threats and any acts of violence. These principles are expressly reiterated in the SQLI Code of Conduct, which came into force at the beginning of 2021 and communicated to all Group employees and referred to in each internal regulation of the Group's entities.



KEY INDICATORS:

- In 2021, 559 recruitments were made within the SQLI Group, i.e. an increase of 27% compared to the previous year. These recruitments included 183 women and 376 men, of which 92% were permanent (tables 38, 39 and 40).
- As in the previous year, 15% of employees recruited by the SQLI entity (France) were hired, in 2022, via the co-option system in place. This percentage is 14% for all new hires within the SQLI Group (table 41).
- In 2021, 98% of employees of the SQLI entity (France) completed a BAP, up 9 points compared to the previous year (table 42).
- Voluntary turnover for the SQLI entity (France) was 17.7% in 2021 (table 43).
- The absence rate for the SQLI entity was 3.5% in 2021, unchanged from the previous year (table 44).
- The accident severity and frequency rate was 0 for the SQLI entity (France), in 2021 (tables 45 and 46).
- In France, 70% of employees were working from home (outside lockdown periods). On average, within the Group, 77% of employees had benefited from remote working (table 47).



AMBITIONS 2022:

- Continued development of our employer brand (internal and external), in France and abroad,
- Consolidation of the France and International HR Department,
- Opening of a new agency in Casablanca to support the organic growth of the Moroccan teams,
- Implementation of an online sports platform to engage employees, to strengthen the team spirit, create competition, while taking care of their health,
- Implementation of a tool to measure employee engagement within the SQLI Group,
- Consolidation of the co-optation campaign,
- Integration of the SQLI UK LTD, STAR REPUBLIC and OSUDIO entities within the HR Cycle system,
- Implementation of a programme dedicated to developing manager leadership so that they can better support teams.

1.5.2. Customer risk (Medium risk)

While developing its business, the Group strives to maintain a high level of diversification of its customer base and the business sectors it addresses, in order to contain the risk of concentration on a limited number of customers.

In 2021, the weighting of the main customers of the SQLI group was as follows:

- The Group's largest customer represented 7.4% of consolidated revenue;
- The Group's top five customers accounted for 23.4% of consolidated revenue;
- The Group's top ten customers accounted for 34.0% of consolidated revenue.

The Group uses the services of a factoring company that provides credit insurance and customer credit analysis, first-time reminders and litigation monitoring for most of the Group's commercial activity in France. Moreover, the fact that the Group mainly works for large accounts limits the risks of insolvency.

Lastly, the credit management and recovery procedures put in place make it possible to manage customer risk (prior verification of the prospect's solvency, monitoring of outstandings, monitoring of customer payment deadlines, customer reminders and litigation procedures).

Elements relating to customer satisfaction under "Customer Risk" are dealt with in Section 3.2.3.1. "Customer satisfaction" of this Universal Registration Document.

The loss of a major client of the SQLI Group; or its dissatisfaction, could have a material adverse effect on the Group, its business, its financial position, its results or its development.

1.5.3. Risk related to competition and technological developments (Medium risk)

The Group's competitive positioning is described in section 1.3.7.3. "Group competitive position" of this Universal Registration Document.

The Group now enjoys a position as a major player in Europe. Nevertheless, it has to face competitors (Capgemini, Accenture, Deloitte, IBM, Publicis Group, WPP are the five largest) which benefit from a significant investment capacity. In addition, the Company will have to ensure the homogenisation of its offering by country, in order to create an international agency model while increasing the use of digital service centres and increasing its value offer through the deployment of the Consulting or Communication offer; main markets of its competitors, which could slow down SQLI's desire for growth. The European expansion should also strengthen the Group's ability to serve major international brands, but its expansion could be hampered by local or global players. The SQLI Group will also strive to strengthen its relations with the market-leading platform publishers, but the Group could be limited in these capacities given competitors benefiting from more significant resources or other publishers, than those selected by SQLI, could see their offers become market leader.

With regard to the Digital & Technology business, given the intensification of competition and the convenience aspect of certain "Information Technology" offers, SQLI intends to strengthen its competitive positions, in particular through the industrialisation of its business approach through the Agile approach and its positioning as a specialist in value-added offers such as Cloud, Data, experience platforms, Smart Build, etc. The aim is to develop customer-focused services, by combining the best in technologies and digital methodologies. In this market too, SQLI is in competition with players who benefit from significant resources (SOPRA STERIA, GFI INFORMATIQUE, ALTRAN and ECONOCOM for example). The objective of the SQLI Group remains the optimisation of the employment rate of this activity in order to increase its profitability. The Group must also monitor technological developments in order to be able to offer its customers the best technology available on the market and also the best methodology, always compared to competitors' offers.

The Group cannot guarantee the rapid identification and integration of all technological developments. However, it has always been a pioneer in the adoption and integration of new technologies. In 2021, the Group devoted 3.8% of revenue to expenses eligible for the Research Tax Credit. The SQLI research tax credit for the 2021 financial year amounts to €2.6 million (i.e. a total of €7.3 million over three years with €1.8 million in 2020 and €2.9 million in 2019).

For information, the risk related to the "skills development and transformation" of the SQLI Group teams is presented in section 3.2.2.2. "Skills development and transformation" of this Universal Registration Document.

The occurrence of one or more of the risks described above could have a material adverse effect on the Group, its business, financial position, results or development.

1.5.4. Image and reputation risk (Reasonable risk)

Over the course of its history, SQLI has been able to establish its position through an image of quality and reliability with its customers, enabling it to work with prestigious references, including three of the five largest global luxury goods groups, as well as Airbus, Arcelor, Bridgestone, Carlsberg, Miele, Nespresso, RTE, etc.

These customers benefit from significant exposure both in terms of image in their respective markets and are considered as references for SQLI's markets. As a result, many events such as project execution problems (or platform stability - particularly e-commerce - implemented by SQLI) that could lead to significant losses in revenue, security breaches of customers' information systems (which may or may not result in the loss of confidential data) may cause significant damage to the image and reputation of SQLI.

The risks related to ethics and governance that may also have an impact on the image and reputation of SQLI are described in section 3.2.4. "Ethical and governance risks" of this Universal Registration Document.

The occurrence of one or more of the risks described above could have a material adverse effect on the Group, its business, financial position, results or development.

1.5.5. International development risk (Reasonable risk)

The Group's international development is planned in several ways: organic growth and external growth.

In terms of organic growth, the Group wants to (i) open new agencies in Europe or internationally and (ii) grow the current agencies of the SQLI Group. These two modes of organic growth present risks (particularly managerial, team, commercial and project, cultural).

SQLI intends to play a unifying role in the movement towards the concentration of digital agencies in Europe and will continue to study external growth opportunities in order to achieve its ambition to become a major European player.

This external growth policy pursued by the Group may involve risks related to the consolidation of companies and the implementation of the planned synergies, to the financial strength of the acquired company, the departure of competent people, and the loss of customers.

The SQLI Group set up an Acquisitions Committee on 28 November 2018 whose mission is to examine the acquisition projects and their terms, before approval by the Board. This Committee was merged with the Strategy Committee to become the Strategy and Acquisitions Committee ("CSA"). The Chairman of the Board is also Chairman of this Committee. The Group also has a dedicated M&A team to support its external growth under the best possible conditions. Since the intensification of its international expansion, SQLI has decided to appoint an Integration Manager responsible for connecting the acquired companies to SQLI's organisation, implementing the integration plan and optimising the synergies envisaged during the acquisition.

A unified international organisation has been in place since the fourth quarter of 2020 to accelerate synergies with the latest companies acquired, namely STAR REPUBLIC, OSUDIO and REDBOX as part of a formal integration plan. During 2021, the SQLI Digital Experience brand became the Group's only brand, its deployment was completed in January 2022. The Group has also simplified its organisation with Renaud DETCHEVERRY in charge of SQLI International and Thierry MILEO in charge of SQLI France (press release of 24 February 2022) and Eric CHANAL in charge of "ONE ISC".

The Group carries out due diligence, in particular accounting, social (including governance and ethics), judicial, legal (including compliance), tax, financial and operational due diligence, relying on external expert advice to analyse potential exposure to risks of the target company.

The occurrence of one or more of the risks described above could have a material adverse effect on the Group, its business, financial position, results or development.

1.5.6. Liquidity risk (Limited risk)

The Group's capacity for growth is based on its ability to finance it through its organic growth (financing of working capital requirements in particular but also investment for the opening of offices) or its external growth (as previously with the OSUDIO and STAR REPUBLIC operations in 2017 or REDBOX in 2020).

The structure of SQLI's gross financial debt is presented in Table 22. "Gross financial debt of SQLI over the last two financial years".

Gross financial debt of €48,963 thousand (compared to €55,478 thousand at the end of 2020) mainly comprises borrowings from credit institutions at end 2021. Analysis of gross financial debt by maturity is presented in note 14 to the consolidated financial statements presented in E) IV) of the consolidated financial statements (section 4.1 "Annual consolidated financial statements as at 31 December 2021" of this Universal Registration Document). Details of borrowings from credit institutions are presented in Table 23. "Borrowings from credit institutions".

The Group has a gross cash position of €32.6 million at 31 December 2021, compared to €15.7 million at 31 December 2020.

As at 31 December 2021, SQLI posted net financial debt of €16,412 thousand, without using factor financing for shareholders' equity of €100,921 thousand. The ratio of net financial debt to shareholders' equity is stable (16.3% at 31 December 2021 compared to 16.6% at 31 December 2020).

Table 27. Net financial debt of SQLI over the last two financial years

(in thousands of euros)	31/12/2021	31/12/2020	Change
Total gross financial debt	48,963	55,478	-6,515
Cash and cash equivalents	-32,551	-39,811	7,260
Total net financial debt	16,412	15,667	745

Table 28. Change in operating working capital requirement (excluding changes in scope)

(in thousands of euros)	31/12/2021	31/12/2020
Change in customers	-7123	15,670
Change in suppliers	2683	-9711
Change in other current assets and liabilities	-23	6221
Income tax (paid) refunded	-3332	-3020
Change in working capital requirement	-7795	9160

As of 31 December 2021, the SQLI Group also had factoring capacity (available line of €22.6 million as of 31 December 2021, up to 90% of which could be mobilised).

The Group has chosen to maintain the presentation of its financial debt in the balance sheet in accordance with the maturities negotiated on 31 December 2021, without taking into account the consequences of the takeover bid.

Certain factors could make it more difficult for the Company to obtain financing, which could hinder its growth: fluctuations in interest or exchange rates; deterioration of economic conditions and/or closure of banking or capital markets (particularly in connection with the health crisis linked to Covid-19); deterioration in the Company's financial position or operating income.

Nevertheless, following the success of the takeover bid, SQLI restructured its debt in February 2022. Debts (syndicated loan, PGE and BPI lines) for a total amount of €49 million were repaid and two new financings were implemented with TIKEHAU: a unitranche financing of €28 million over 7 years with flexibility, and a Capex line for €20 million to finance acquisitions. The Group also negotiated a RCF for €10 million with BPI and two of its historical banks (Caisse d'Epargne BPL and Banque Palatine).

In addition, compliance with banking covenants as described in 1.4.2.6. "Potential restriction on the use of capital" could prevent SQLI from carrying out certain investment transactions that would hinder its capacity for external growth, for example.

The occurrence of one or more of the risks described above could have a material adverse effect on the Group, its business, financial position, results or development.

1.5.7. Legal liability risk (Limited risk)

In the event of malfunction of the products and/or services developed by SQLI for one of its customers, the latter could engage the Group's liability and, as a result, a customer dispute could arise.

The Group has satisfactory cover for its occupational risks and is not currently involved in any litigation related to its activity not covered by its insurance contracts. The risks relating to losses on completion or late payment penalties not covered by civil liability insurance are subject to provisions for risks and charges in the Company's financial statements.

As part of its risk management and financing policy, the Group has set up an insurance programme with leading insurance companies in order to cover the main risks that could affect it at the central level but also internationally.

In terms of insurance, a distinction must be made between property and casualty insurance and liability insurance.



The main insurance policies of the SQLI Group concern professional and operational liability, cover for the entire fleet of cars and all premises occupied in France and abroad, as well as cyber security cover.

Professional Civil Liability Policy

The SQLI Group has taken out a Group professional and operating liability insurance policy on its own behalf and that of its subsidiaries, the purpose of which is to cover the financial consequences of any civil liability that SQLI may incur as a result of damage caused to third parties because of its professional activities.

Executives liability policy

The SQLI Group has taken out a civil liability insurance policy for corporate officers, valid for the de jure and de facto managers of SQLI and all of the Group's French and foreign subsidiaries.

Property and Casualty Policy

The SQLI Group has taken out insurance on its own behalf and that of its French subsidiaries to guarantee:

- The premises of which the Group is a tenant;
- Movable assets: furniture, all IT equipment owned or entrusted to the SQLI Group, fixed equipment and portable equipment.

Under this policy, any damage, as well as some of its financial consequences, affecting one of the aforementioned assets is therefore covered (in particular the cost of reconstituting computer data).

Fleet and personal car mission policy

On its own behalf and that of its French subsidiaries, the SQLI Group has taken out a guarantee covering all of its long-term vehicle rental fleet as well as a guarantee covering the risks inherent to employees' personal vehicles when they are used for professional activities.

Cyber security policy

The SQLI Group has taken out liability insurance on its own behalf and that of its subsidiaries for the risks of cyber security which aims to cover all claims related to an IT breach or breach of personal data confidentiality.

Even if the required means are implemented to limit any negative impact, non-compliance with current regulations or errors in interpretation may expose the Group to a performance, financial and/or reputation risk.

1.5.8. Security of operations including cybersecurity and data protection (Limited risk)



DESCRIPTION OF THE ISSUE:

A cyberattack on the Group's systems, a security breach in the Group's systems and/or in our customers' systems may result in the loss of information, and depending on the subject matter, the loss of confidential information, particularly in certain sensitive, payment and/or payroll activities. Such situations may give rise to the risk of damages and/or penalties. Given the Group's business, a major security failure could potentially result in a risk to the Group's image and a challenge to our customers' trust.

Given its activities, the Group is subject to various international and national regulations relating to the protection of personal data. In the event of voluntary or involuntary disclosure of all or part of the personal data belonging to a customer or a third party, the Group could be held liable. Even if the required means are implemented to limit any negative impact, non-compliance with current regulations or errors in interpretation may expose the Group to a performance, financial and/or reputation risk.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

The various operational security policies and actions cover the following SDGs: 16 (Peace, justice and strong institutions) and 4 (Quality education).

DEPARTMENT OF INFORMATION SYSTEMS SECURITY (DISS):

Security and customer data protection issues are major issues for the SQLI Group. In order to avoid any security breach, or in the event of an incident, to immediately implement the necessary actions, the SQLI Group has a DISS. The DISS has a role in supporting the security of the Group and its projects (including in the context of the implementation of security measures in line with the regulations on personal data), awareness-raising, advice, and monitoring of the implementation of standards and action plans in this area and the management of security incidents.

As part of its various missions, the DISS implements the following actions: control of the company's Internet access, control of WIFI access, data backup and restoration, implementation of secure tools to deal with the IT attacks (secure messaging, secure printing, intrusion prevention probes, implementation of vulnerability scans (in France, Switzerland, deployment in progress in Morocco) etc.), managing security incidents, raising employee awareness of IT security, keeping IT equipment up to date, deployment of an IDS/IPS (intrusion detection and prevention system) on the SQLI (France) information system, implementation of a secure password manager for sensitive projects, client cybersecurity audits, managing and carrying out internal security/compliance audits. In 2021, security and compliance audits as well as risk analyses were carried out by the DSSI in the following agencies: the ISC Morocco (Rabat) and the Pessac establishment and the associated remediation plans were implemented (ISO27001/2/5).

SECURITY CORRESPONDENTS:

A security correspondent is now present in some of the Group's agencies (Nantes, Bordeaux, Levallois-Perret, Toulouse and Morocco). The security correspondent is a local point of contact for security. His/her duties include responding to security incidents and raising the awareness of new employees about IT security during their induction seminar. The security correspondent also participates in responses to calls for tenders from customers on the security part, in conjunction with the business teams.

INFORMATION SYSTEMS SECURITY COMMITTEE (ISSC):

In 2021, the SQLI Group created a ISSC (Information Systems Security Committee). This Committee facilitates coordination and cooperation to ensure the security of the Group's information systems. The main objectives of this committee are to communicate and ensure the application of the GISSP (general information systems security policy), participate in preparing security directives and rules, consider SSI events and exceptions, discuss subjects that impact information security, monitor and verify the management of security integrated in projects, monitor the ISMS (information security management system) action plan, present the security indicators, security incidents and associated experience feedback. The ISSC committee comprises the DIS, the Group CIS, a local IT representative and the local technical director. This committee meets monthly.

ISO 27001 CERTIFICATION:

As part of the Group's development strategy, General Management, the DIS (Director of Information Security) and the Cybersecurity Management have taken action to obtain ISO 27001 certification since January 2021. The SQLI Pessac and Levallois-Perret establishments as well as the Group's leading establishments were certified to ISO 27001 for 2021-2022. This certification, issued by AFNOR Certification, officially recognises the commitment and the actions put in place by SQLI (France) relating to Cybersecurity for its production and support activities (Levallois-Perret and Bordeaux scope).



By obtaining the ISO 27001 certification, SQLI (France) has been officially identified as a trusted partner for the management of customer data. Maximum guarantee, the certification attests the confidentiality and traceability of the elements entrusted, as well as the implementation of the means necessary to protect against any possible cyberattacks.

In accordance with the process for ISO 27001 certification, SQLI (France) is currently rolling out a new standard for securing desktops. The objectives of this new standard are to respond to customers' demands in terms of data protection, protect the information assets by reducing the attack surface and sustaining the information network by standardising the configuration of all work stations. Within the context of this new security pack, the following measures are in the process of implementation: deletion of administrator rights for non-technical profiles, secure VPN, session locking after 5 minutes of inactivity, encryption of work stations, BIOS passwords, etc. This new standard will be rolled out gradually throughout 2022.

SECURITY POLICIES:

As part of the ISO 27001 certification, two new security policies were implemented in 2020 within the SQLI Group:

- A policy of regulatory compliance: this policy aims to describe the management process for the Group's regulatory compliance in terms of personal data, contractual policy, information security and intellectual property;
- A general policy of information system security (GPISS): this policy constitutes the point of reference and coherence in relation to the security of the SQLI Group's information systems.

The DIS has also reminded employees, in 2021, of all of the security policies and processes in force within the Group with a view to their respect and proper application.

AWARENESS OF CYBERSECURITY ISSUES:

As part of its awareness-raising actions, the DIS set up an “E-learning” awareness-raising platform in 2019 with the aim of reminding employees of best practices in IT security. Therefore, each month, employees are invited by e-mail to complete awareness training on the following subjects: phishing, SPAM, ransoms, passwords, information protection, physical security, etc. The tool in place was developed further in 2020 with the addition of a new functionality since it now includes automated reporting for managers, allowing monitoring of participation and a relaunch of employees but their manager if an e-learning module has not been completed.

SECURITY INSURANCE PLAN:

SQLI's (France) critical suppliers and subcontractors (which have an impact on SQLI's information system) must also comply with the requirements of SQLI's SAP (Security Assurance Plan). Each SAP completed and communicated by the critical supplier/subcontractor is also subject to, prior to any collaboration, validation by one of SQLI's DIS passed on the SQLI SAP. If the supplier/subcontractor cannot provide sufficient guarantee of the security terms, they cannot be listed with the SQLI Group.

CHARTER FOR THE USE OF IT RESOURCES:

In order to ensure the security of its information system, in 2018, in its French agencies, SQLI implemented a charter governing the use of IT resources that strictly governs the use of IT resources and means of communication made available, in particular to employees, corporate officers and service providers. The SQLI (France) subcontracting contract templates now include a clause requiring subcontractors to comply with the Charter for the use of IT resources, it being specified that any violation of the Charter authorises SQLI to proceed with immediate termination of the contractual relationship. This Charter was also rolled out in Switzerland and Spain.

GDPR OFFICER:

In 2020, SQLI hired a lawyer in charge of issues and challenges related to the GDPR and reporting to the Group Legal Department. As part of his/her duties, this point of contact analyses and negotiates the GDPR conditions of the Group's customers, leads the Group's GDPR committees, prepares documentation related to the GDPR, trains operational staff and supports the Group's various subsidiaries in the deployment of the GDPR.

GDPR POLICIES:

The GDPR policy of the SQLI Group has been updated by the GDPR Officer and the DIS Director (in French and English). This policy for the Group's customers recalls the legal framework in place within the framework of the GDPR as well as the security and operational measures implemented in the event of processing of personal data. An internal GDPR policy has also been drafted by the GDPR Officer to remind operational staff of the contractual process applicable to the processing of personal data. These policies were presented by the GDPR Officer during the GDPR Committee in January 2021 and are available on the intranet of the Group's Legal Department (Legal SharePoint).

GDPR COMMITTEE:

In 2018, the SQLI Group set up a GDPR committee to verify compliance by the Group's various agencies (in France and abroad), both in their relations with their employees and in their relations with their customers and suppliers, of the applicable European Union rules on personal data and to share best practices in this area. The committee, made up of the Group's support services and all delivery managers, meets on a regular basis, i.e. once every two months. The Committee has been led by the Group's GDPR Officer since 2020. Podcasts of these meetings are available to all employees via Legal SharePoint.

GDPR TRAINING:

In 2021, the GDPR Officer conducted several training sessions (in French and English) for all Group employees to remind them of the applicable GDPR regulations and obligations ("Q&A - Protection of Personal Data"; "GDPR & Brexit"; "Q&A - Access to personal data in Morocco"; "Filling out the processing register"). These training sessions are available for all employees via Legal SharePoint. New training on the topic of personal data will be provided by the GDPR Officer in 2022.

GDPR AUDITS:

Audits are regularly carried out at the Group's various French and foreign agencies to ensure the proper application of the GDPR regulations and personalise the support that needs to be put in place in relation to GDPR within these entities.

GDPR CONDITIONS APPLICABLE IN RELATIONS WITH CUSTOMERS AND SUPPLIERS:

SQLI has defined GDPR conditions both in the context of relations with its customers and relations with its suppliers. In the event of processing of personal data, SQLI systematically imposes its GDPR conditions on its subcontractors and suppliers in order to ensure that they comply fully with the applicable regulations on personal data. In the context of relations with its customers, the Group's GDPR Officer validates all the GDPR conditions applicable to the contractual relationship, and in doing so ensures, if the customer wishes to impose its own GDPR conditions, that the clauses of the SQLI GDPR conditions are included.

DEPLOYMENT OF NEW GDPR DOCUMENTS:

In 2021, the GDPR Officer rolled out new templates of GDPR documents (in French and English) for employees (e.g. Attestation of the destruction of personal data, attestation of non-communication of personal data, redesign of the processing register). All of these documents are available for all employees via Legal SharePoint.

MEMBERSHIP OF THE AFCDP AGORA:

In 2021, SQLI (France) joined the AFCDP Agora (French Association of Personal Data protection Correspondents). This association brings together all persons interested in protecting personal data. The AFCDP aims in particular to promote and develop discussions on the status of the DPOs, favour collaboration with companies and public powers in all of the questions posed by the position and duties of the DPO, ensure monitoring of the challenges relating to the position and duties of the DPO, etc. The AFCDP offers its members conferences, seminars, publications, the preparation and distribution of documents, analysis, notes, the organisation of discussion committees, working groups.

CYBERSECURITY INSURANCE:

The SQLI Group has taken out liability insurance on its own behalf and that of its subsidiaries for the risks of cyber security which aims to cover all claims related to an IT breach or breach of personal data confidentiality. Under this insurance policy, a team is made available to SQLI 24 hours a day, seven days a week in the event of cybersecurity-related incidents.



INDICATOR:

The SQLI Group has not reported any claim for breach of customer privacy and loss of customer data resulting in legal proceedings (table 75).



AMBITIONS 2022:



For 2022, SQLI aims to implement the following actions:

- Maintain ISO 27001 certification within the SQLI Pessac and Levallois-Perret establishments,
- Integration, within 2 years, of ISC Maroc within the scope of the ISO 27001 certification,
- Management and implementation of compliance/security audits, risk analyses and implementation of the associated remediation plans (ISO 27001/2/5) of the ISC Morocco (Rabat & Oujda) and ISC Bordeaux sites,
- Group-wide secure password manager,
- Roll out of a workstation security pack (encryption of workstations, review of the access rights matrix on the IS, updating of workstation tightening, etc.),
- Implementation of a cyber crisis management plan (associated crisis management exercise programme),
- Deployment of the IT Resources Charter within SQLI Maroc,
- Performance of intrusion tests on the Group's information system, the information system of the SQLI Pessac establishments and the Pessac physical site,
- Implementation of an internal IS project management process including the GDPR reference, the DSSI and the infrastructure responsible,
- Audit of sensitive suppliers and subcontractors,
- Implementation of new GDPR information,
- Continued support for different Group agencies in relation to GDPR,
- Obtaining, within 2 to 3 years, certification of GDPR compliance with the Europrivacy body, based on ISO 27001 certification.

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CHAPTER 2. CORPORATE GOVERNANCE

2.1. Report of the Board of Directors on corporate governance - Financial year 2021

Ladies and Gentlemen,

This report on corporate governance is presented separately from the management report, pursuant to the last paragraph of Article L. 225-37 of the French Commercial Code, as amended by Order No. 2017-1162 of 12 July 2017.

In particular, it reports on the various governance aspects put in place by SQLI, information concerning the mandates and functions exercised by the corporate officers of SQLI in any other company, aspects relating to the compensation of these corporate officers, including, in particular, the presentation of the draft resolutions to the General Meeting relating to this compensation (ex ante and ex post “say on pay” vote on compensation, in application of the Sapin II law), as well as information concerning the elements likely to have an impact in the event of a public offering.

We remind you that the Company refers to the MIDDLENEXT Corporate Governance Code (amended in September 2021), which can be consulted on the Company's website and on the MIDDLENEXT website. This report specifies, in accordance with Article L. 225-37-4, paragraph 8 of the French Commercial Code and depending on the various topics addressed, the provisions of the MIDDLENEXT Code that were excluded by SQLI and the reasons for which they were excluded.

2.1.1. Administrative and management bodies

2.1.1.1. General Management procedures

Following the dismissal by the Board of Directors of SQLI, at its meeting of 22 September 2020, of Mr Didier Fauque from his term of office as Chief Executive Officer (it being specified that Mr Didier Fauque resigned from his term of office as Director during the same meeting) and the decision taken by the Board of Directors during the same meeting to appoint Mr Philippe Donche-Gay, Chairman of the Board of Directors, as Chief Executive Officer, the functions of Chairman of the Board of Directors and Chief Executive Officer are no longer separated as of 22 September 2020, until Mr Philippe Donche-Gay is replaced by a new Chief Executive Officer.

Mr Philippe Donche-Gay has been Chairman and Chief Executive Officer of the Company since 22 September 2020, for a period initially set at six (6) months, which was extended by the Board of Directors at its meetings of 5 March, 15 April 2021 and 8 March 2022, in order to give the Company the time necessary to recruit a new Chief Executive Officer.

Finally and following recent changes within the Company and its shareholding structure, the Board of Directors of 19 April 2022 confirmed Mr Philippe Donche-Gay as Chairman and Chief Executive Officer of the Company, in view of the strategic challenges the Group is currently facing, the implementation of the Force One 2022 plan and having also considered that combining the functions allows a more fluid dialogue with DBay Advisors, the Company's reference shareholder.

As the Board's rules of procedure provide for the Board's power to rule on the question of whether or not to separate the functions of Chairman and Chief Executive Officer, said rules have not been modified on this point.

The Chief Executive Officer is no longer assisted by Deputy Chief Executive Officers, since 30 January 2020, the meeting during which the Board of Directors duly noted the resignation of Mr Nicolas Rebours and Mr Thierry Chemla from their terms of office.

Mr Philippe Donche-Gay has served as Chairman of the Board of Directors since 27 June 2019, the date of his appointment by the Board of Directors (to replace Mr Hervé de Beublain, who resigned but was a Director of the Company until 10 February 2022). His term of office will expire at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2024 (duration of his term of office as director).

2.1.1.2. Composition of the Board of Directors

The table below shows the composition of the Board of Directors and its committees as of 18 February 2022. It reflects the new governance structure put in place following the public tender offer on SQLI shares successfully carried out by DBay Advisors through the simplified joint stock company Synsion BidCo (as described in Chapter 5 of this 2021 Universal Registration Document, paragraph 5.2. “Main shareholders”), and following the resignation of Mr Hervé de Beublain and Ms Véronique Reille-Soult de Dalmatie from their directorship.

Surname, name, title/position of the Directors	Independent ¹	Start of term of office	End of term of office	Audit and Risk Committee	Appointments and Compensation Committee ²	Strategy and Acquisitions Committee	Experience and expertise provided
Philippe Donche-Gay Chairman of the Board of Directors and Chief Executive Officer	No, due to his position as Chief Executive Officer of SQLI	Appointed Director on 27/06/2019 Appointed Chairman of the Board on 27/06/2019 Appointed Chairman and Chief Executive Officer on 22/09/2020	In respect of his term of office as Chairman of the Board: Meeting called to approve the financial statements for the year ended 31/12/2024 In respect of his term of office as Chief Executive Officer (for a period enabling the Company to recruit a new Chief Executive Officer)			Member	Specific skills in finance and accounting
DBay Advisors Represented by Iltay Sensagir	No, due to their position as reference shareholder	Appointed director on 30/01/2020 (by co-optation) Ratification of the co-optation by the General Meeting of 25/06/2020 Term of office renewed by the General Meeting of 25/06/2020	Meeting called to approve the financial statements for the year ended 31/12/2025	Member		Member	Specific skills in finance and accounting
Surible Topco Represented by Diederik Vos	No, due to their position as reference shareholder	Appointed director on 30/01/2020 (by co-optation) Ratification of the co-optation by the General Meeting of 25/06/2020 Term of office renewed by the General Meeting of 25/06/2020	Meeting called to approve the financial statements for the year ended 31/12/2025		Chairperson		Specific skills in finance and accounting

¹ The quality of Independent Director was examined by the Board of Directors on 19 April 2022 and it responds to the criteria of recommendation no. 3 of the MIDDLENEXT Corporate Governance Code.

² The Board of Directors, in its meeting of 18 February 2022, extended the powers of the Appointments and Compensation Committee, awarding it powers relating to environmental and corporate responsibility (CSR) in accordance with recommendation no. 7 of the MIDDLENEXT Corporate Governance Code.

Surname, name, title/position of the Directors	Independent ¹	Start of term of office	End of term of office	Audit and Risk Committee	Appointments and Compensation Committee ²	Strategy and Acquisitions Committee	Experience and expertise provided
Ariel Steinmann	Independent	27/06/2019	Meeting called to approve the financial statements for the year ended 31/12/2024		Member		Specific skills in Marketing, Communication & Digital
Brand & Retail Represented by Nathalie Mesny	Independent	27/06/2019	Meeting called to approve the financial statements for the year ended 31/12/2024	Chairperson			Specific e-commerce skills
Synsion Bidco SAS Represented by Bev White	No, due to their position as reference shareholder	Appointed director on 28/02/2022 (by co-optation) ³	Meeting called to approve the financial statements for the year ended 31/12/2028				Specific Human Resources skills
Synsion Midco SAS Represented by Alexis Nasard	No, due to their position as reference shareholder	Appointed director on 28/02/2022 (by co-optation) ⁴	Meeting called to approve the financial statements for the year ended 31/12/2028			Chairperson	Specific skills in management of international groups in the consumer goods, fashion and retail sectors, and consulting
Jérôme Abergel	No, due to his status as an employee of SQLI	Term of office renewed by the Social and Economic Committee of the SQLI UES (economic and social unit): 17/06/2021 Official decision by the Board of Directors on 23/07/21	General Meeting called to approve the financial statements for the year ended 31/12/2023				

¹ The quality of Independent Director was examined by the Board of Directors on 19 April 2022 and it responds to the criteria of recommendation no. 3 of the MIDDLENEXT Corporate Governance Code.

² The Board of Directors, in its meeting of 18 February 2022, extended the powers of the Appointments and Compensation Committee, awarding it powers relating to environmental and corporate responsibility (CSR) in accordance with recommendation no. 7 of the MIDDLENEXT Corporate Governance Code.

³ The ratification of the co-optation of Synsion Bidco SAS represented by Ms Bev White will be proposed at the General Meeting of 23 June 2022.

⁴ The ratification of the co-optation of Synsion Midco SAS represented by Mr Alexis Nasard will be proposed at the General Meeting of 23 June 2022.



Following the Offer, Ms Véronique Reille-Soult de Dalmatie and Mr Hervé de Beublain tendered their resignation as directors on 8 and 10 February 2022, respectively. The Board of Directors took note of this at its meeting of 18 February 2022.

It is recalled, as necessary, that Mr Didier Fauque, who previously held the position of Chief Executive Officer, resigned from his directorship on 22 September 2020 following his dismissal by the Board of Directors of SQLI, at its meeting on the same day:

Surname, name, title/position of the Directors	Independent ¹	Start of term of office	End of term of office
Hervé de Beublain	Independent	Appointed Director on 14/06/2011 Appointment renewed on 28/06/2017 Resigned as Chairman of the Board on 27/06/2019	Resignation on 10/02/2022 Noted by the Board during its meeting of 18/02/2022
Véronique Reille-Soult de Dalmatie	Independent	Appointed Director on 25/06/2014 Term of office renewed by the General Meeting of 25/06/2020	Resignation on 08/02/2022 Noted by the Board during its meeting of 18/02/2022

It is specified that SQLI's Articles of Association set the term of office of directors at six years.

¹ The quality of Independent Director was examined by the Board of Directors on 19 April 2022 and it responds to the criteria of recommendation no. 3 of the MIDDLENEXT Corporate Governance Code.



Biography and main functions exercised by the directors

Philippe Donche-Gay, Chairman



A graduate of École Polytechnique and Stanford University in California, Philippe Donche-Gay began his career at IBM in 1982.

In 1994, he joined the management of Capgemini and took part in the construction of Capgemini Telecom & Media, where he became Chief Executive Officer in 2001. In 2004, he was appointed Chief Executive Officer of Capgemini France and then, in 2007, of Capgemini for Western Europe.

In 2008, he became Head of Operations at Bureau Veritas. Appointed Chairman of the Marine & Offshore Division in 2013, he became Deputy Chief Executive Officer of the Group in 2017, a position he held until early 2019.

In June 2019, he became Chairman of the Board of Directors of the SQLI Group, then Chairman and Chief Executive Officer on 22 September 2020.

Synsion Bidco SAS represented by Bev White, Director

With a scientific background and an MBA in Strategy, Marketing, Finance and Management, Bev White began her professional career in 1987 in the IT Department of Schlumberger.

In 1994, she joined NTL, a cable operator, where she was Head of Information Systems for eight years.

She then took her first steps in the world of Human Resources by becoming Chief Executive Officer of Penna Careers Services, a group specialising in HR management, the Employer brand and recruitment.

She became a director in 2012.

Co-founder and Chairwoman of the Board of Career Star Group, an international network of career management specialists, she chaired its Board of Directors for four years.

Chief Executive Officer of Intoo UK and Ireland and of Gi Group UK in 2017, she then became Chief Executive Officer of Harvey Nash Group in 2020.



Brand & Retail represented by Nathalie Mesny, Director



A graduate of ESSEC and holder of a Master's degree from INSEAD, Nathalie Mesny began her career at Unilever before joining Carrefour France in 1998 as Chief Food Officer and then, in 2005, as Marketing, Communication and Brand Director.

From 2011 to 2015, she managed Oxybul Eveil et Jeux and then took over Carrefour's non-food e-commerce to manage the Rueducommerce.fr website.

Since 1 April 2019, Nathalie Mesny has been Chief Executive Officer of Monoprix Online.

Nathalie Mesny has also been a member of the Board of Directors of Carmignac (since July 2018) and a member of the Supervisory Board of Damartex (since May 2017).



Synsion Midco SAS represented by Alexis Nasard, director

Holder of an MBA (UC Berkeley) and an MS in Engineering, Alexis Nasard has 30 years of experience in major international groups in the fields of consumer goods, fashion and distribution, and consulting.

After spending 17 years at Procter & Gamble, he joined Heineken in 2010 to become Chairman Western Europe and Global Marketing Director.

From 2016 to 2021, he became Chairman and Chief Executive Officer of the Bata Group.

In parallel with his various missions, he sat on the Board of Directors of the BBH agency for five years and became a member of the Advisory Committee of Salvatore Ferragamo, and a member of the consumer industries group at the World Economic Forum. He is also a member in residence at IMD (Lausanne).

After becoming Chairman and Chief Executive Officer of Kantar, he joined the consulting firm McKinsey in 2022 as Senior Business Advisor.

ARIEL STEINMANN, DIRECTOR

A graduate of ISC Paris, Ariel Steinmann began her professional career in consulting and communication agencies in France and the United States. She has since developed a strong experience in Marketing, Communication & Digital by leading large-scale projects with large groups such as Bouygues Telecom and ING Direct France.



She is now Head of Marketing, Communication and Digital for the Retail activities of BNP Paribas, a group she joined in 2011.

Since 2013, she has been responsible for marketing and digital communication for retail banking in France for the two brands BNP Paribas and Hello bank!

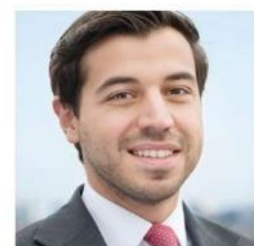
She is in charge of the management of retail sites and applications for both brands as well as digital communication for acquisitions and customers.

Surible Topco represented by Diederik Vos, director

From 2012 to 2018, Diederik Vos was Chief Executive Officer of SQS, a leading player in software testing and quality assurance services. Previously, he held Director responsibilities at AT&T, Lucent Technologies, AVAYA and International Network Services. A director of various companies, Diederik Vos has developed in-depth experience in the digital services sector.

Dbay Advisors represented by Ittay Sensagir, director

Ittay Sensagir is a member of the DBAY Advisors investment team. A graduate of the EBS Business School (Oestrich-Winkel, Germany), Ittay Sensagir began his professional career at Goldman Sachs in the Investment Banking Division, in London. He was previously at Kartesia Advisor, an investment company present in several markets in Europe.



Jérôme Abergel, Director representing employees



Jérôme Abergel is Project Manager and member of the pre-sales team at SQLI. A graduate of ENSAIT, École Nationale Supérieure des Arts et Industries Textiles, Jérôme Abergel joined the SQLI group in 2002 and has been a salaried director since November 2018.

2.1.1.3. Diversity policy applied to members of the Board of Directors

SQLI takes into account the principle of balanced representation of men and women on its Board. In particular, SQLI complies with the provisions of Article L. 225-18-1 of the French Commercial Code, which stipulates that in a Board composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two¹. This principle of balanced representation between men and women was once again respected in the context of the co-optations made by the Board at its meeting of 18 February 2022, after the Board took note of the resignations of Mr Hervé de Beublain and Ms Véronique Reille-Soult de Dalmatie.

Strictly speaking, the Company does not have a gender balance policy at senior management level. However, it is attentive to gender diversity in terms of promotion and salary policy. Women account for 28.6% of the Company's management team. In addition, its professional equality index has been rising steadily since 2019 and stood at 94/100 in 2022, breaking down as follows:

- Pay gap: 39/40;
- Difference in individual increase rates: 20/20;
- Difference in promotion rates: 15/15;
- Employees who received a raise following their return from maternity leave: 15/15;
- Number of women among the 10 highest paid employees: 5/10.

2.1.1.4. Director training

In accordance with recommendation 5 of the MIDDLENEXT Code, when a new director is appointed, various sessions are offered with the Group's main senior executives on its activity, organisation and governance. The new Directors received the Company's documentation on governance (in particular the Articles of Association, the Board's Rules of Procedure (which they have signed) and the SQLI Code of Conduct) as well as specific training on corporate governance. They were made aware of the obligations arising from stock market regulations that apply to directors of listed companies. In accordance with recommendation 1 of the MIDDLENEXT Code, Directors are reminded of the periods when they are not trading in the Company's shares (reporting obligations for transactions on securities and blackout periods).

In addition, specific external training is provided for directors from time to time.

¹ It is specified that Article L. 225-27-1 II of the French Commercial Code provides, in its 2nd paragraph, that the directors representing employees are not taken into account for the application of the first paragraph of Article L. 225-18-1 of the French Commercial Code, which sets the gender balance rules applicable to the Board of Directors of anonymous companies whose securities are admitted to trading on a regulated market.



2.1.1.5. Conditions for the preparation and organisation of the work of the Board of Directors

1. Missions of the Board of Directors

In accordance with the law, the Board of Directors determines the Company's business strategies and ensures their implementation. As such, at any time of the year, it carries out the checks and controls it deems appropriate, and may request any documents it deems necessary for the performance of its mission.

Subject to the powers expressly granted by law to General Meetings and within the limits of the corporate purpose, it deals with any issue affecting the smooth running of the Company and settles the matters concerning it through its deliberations.

In exercising its legal prerogatives, the Board of Directors fulfils the following main missions: it defines and approves the company's strategy, the annual budget, closes the annual and half-yearly financial statements, appoints the executive corporate officers responsible for managing the company, as part of this strategy, sets their compensation and chooses the method of organisation (separation of the functions of Chairman and Chief Executive Officer or the aggregation of these duties), controls the management and ensures the quality of the information provided to the shareholders as well as markets, through the financial statements or on the occasion of major transactions. It prepares the Annual General Meetings and approves the terms of the related documentation.

2. Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors is a non-executive Chairman.

In exercising his legal prerogatives, the Chairman of the Board of Directors:

- Organises and directs the work of the Board on which it reports to the General Meeting;
- Oversees the proper functioning of the Company's bodies and ensures in particular that the directors are able to fulfil their duties;
- Prepares a report on the composition, preparation and organisation of the Board's work, as well as the internal control and risk management procedures implemented by the Company;

The non-executive Chairman of the Board coordinates the work of the various Committees as delegated by the Board of Directors.

Ensuring the Company's relationship with its shareholders, it also helps represent the Group before institutional authorities, major clients or partners.

3. Limitations on the powers of the Chief Executive Officer and Deputy CEOs

On 7 May 2020, the Board of Directors adopted new rules of procedure, updating some of the provisions of the former rules adopted on 22 September 2011 in order to comply with the recommendations of the MIDDLENEXT Corporate Governance Code.

The new rules of procedure specify that the following decisions and acts must be submitted to it for prior authorisation:

- Financial commitments for the year:
 - Approval of the annual budget,



- Any investment not included in the annual budget (which includes an “investment” component) and exceeding a total amount of €500,000;



- Long-term financial commitments:
 - The conclusion of any loan or issue of bonds that would not be included in the annual budget and the conclusion of any off-balance sheet commitment whose amount would exceed €1,000,000 (including liability guarantees),
 - The granting of any collateral affecting the assets of the Company and/or its subsidiaries outside its normal activity beyond the annual budget,
 - Any transaction to increase or reduce the share capital, any issue of securities of any category whatsoever, any merger, partial transfer of assets or demerger concerning a Group company,
 - The implementation or modification of any shareholding, profit-sharing, stock option, allocation of free shares or carry-on share subscription warrants,
 - Any decision relating to a change in the listing location of the Company's shares, including the change in listing location or delisting,
 - Any change in accounting standards;
- Significant changes within the Group:
 - Any major reorganisation of the Group,
 - Any change in the legal scope: external growth transaction, creation of subsidiary, joint venture agreement,
 - Any agreement or act of disposal or sale, free of charge or against payment, of essential assets of the Company and/or its subsidiaries,
 - Any decision that would result in the amendment of the Company's Articles of Association, including without limitation the change of corporate form, mode of governance, corporate purpose and/or activity,
 - Any decision impacting the SQLI trademark by extension or restriction of its use;
- The following points will be regularly reported to the Board:
 - Cash position,
 - Any change in the Executive Committee (reporting to the Chief Executive Officer) and in the Company's contractual relationship with each of its members.

4. Preparation and organisation of the work of the Board of Directors

Board of Directors

The internal rules of the Board of Directors, as adopted on 7 May 2020, are available at the registered office and on the Company's website: <http://www.sqli.com>.

These internal rules may be amended by the Board of Directors at any time in view of changes in laws and regulations and its own operating methods. It should be noted that, as the Board's rules of procedure provide for the Board's power to rule on the question of whether or not the functions of Chairman and Chief Executive Officer are dissociated, said rules have not been amended on this point. It will, however, very soon, in order to (i) take into account the new MIDDLENEXT Code of September 2021 and the new responsibilities of the Appointments and Compensation Committee in terms of CSR (see paragraph on the Appointments and Compensation Committee). and (ii) to reflect the possibility of appointing one or more non-voting members on the Board of Directors in the event that this proposal, which will be submitted to the vote of the shareholders at the next General Meeting, is approved.





The purpose of the rules of procedures is to:

- Specify the composition, organisation, role and powers of the Board of Directors with respect to the General Meeting by supplementing certain existing legal and statutory provisions;
- Optimise the effectiveness of meetings and discussions and serve as a reference for the Board of Directors' periodic assessment of its operations;
- Remind directors of their duties, in particular with respect to loyalty, non-disclosure and holding of privileged information; and
- More generally, to ensure that the Company's management conducts its business within the framework of rules guaranteeing compliance with the fundamental principles of corporate governance.

With this in mind, the rules of procedure provide that the Chairman of the Board or the Chief Executive Officer is required to provide each director with all the documents and information necessary for the performance of their duties.

The members of the Board of Directors are informed, prior to the meeting of the latter, of the elements essential to the examination of the points on which the Board of Directors is called to discuss.

The Board of Directors' rules of procedure provide that, for the purposes of calculating the quorum and majority, directors who take part in the meeting of the Board of Directors by means of videoconferencing and telecommunication allowing their identification and guaranteeing their effective participation are deemed to be present. However, participation in the Board of Directors by videoconference or telecommunication is not possible for the transactions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code, i.e. for the preparation of financial statements, annual financial statements and the management report as well as for the preparation of the Group's consolidated financial statements and management report.

The Board of Directors met nine times in 2021 and its decisions or deliberations were recorded in the minutes. The attendance rate of its members was 100%. The Chairman of the Board of Directors chaired 100% of the meetings. Each meeting was preceded by the communications and information required by the rules of procedure.

During these meetings, the Board discussed the following points: Group development strategy, budget, closing of the half-year and annual financial statements, closing of quarterly revenue, financial management, capital increase reserved for employees, governance issues, executive compensation, preparation of the Annual General Meeting, the draft Offer and the refinancing of the Group's debt under the Offer.

It should also be noted that, in accordance with recommendation no. 2 of the MIDDLENEXT Code, the Board of Directors, at its meeting of 19 April 2022, conducted an annual review of the conflicts of interest that may exist within it: no conflicts of interest were identified by the directors. At this Board meeting, it was recalled that the rare historical situations where such potential conflicts of interest could have occurred were always treated with the necessary attention, as the directors concerned did not take part in the discussions or decision making.

At its July 2022 meeting, the Board of Directors will carry out its annual assessment, in accordance with the MIDDLENEXT Corporate Governance Code.

During the second quarter of 2022, each of its members will be given a questionnaire on the role and performance of the Board and its committees, their composition and functioning, the organisation and holding of their meetings as well as the information for directors.





The conclusions of this assessment will be presented by the independent directors and discussed by the Board of Directors at their meeting in July 2022, as was the case during its previous assessment in May 2020.

Committees

The rules of procedure adopted by the Board of Directors on 7 May 2020, supplement the legal, regulatory and statutory rules in order to specify the operating procedures of the Board Committees. The Committees have a strictly advisory role. They act under the exclusive and collective responsibility of the members of the Board of Directors. They report on their assignments to the Board of Directors, which has a sovereign assessment of the follow-up it intends to give to the opinions presented.

Audit and Risk Committee (ARC)

On 1 September 2009, the Board of Directors set up an Audit and Risk Committee.

In accordance with Article L. 823-19 II of the French Commercial Code, the Committee is responsible for the following tasks:

- It monitors the process of preparing financial information and, where applicable, makes recommendations to ensure its integrity;
- It monitors the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to the procedures relating to the preparation and processing of accounting and financial information, without infringing its independence;
- It issues a recommendation on the Statutory Auditors proposed for appointment by the General Meeting. This recommendation to the Board of Directors is prepared in accordance with the provisions of Article 16 of Regulation (EU) 537/2014; it also issues a recommendation to this body when the renewal of the term of office of the statutory auditor(s) is planned under the conditions defined in Article L. 823-3-1 of the French Commercial Code;
- It monitors the Statutory Auditors' performance of their duties and takes into account the findings and conclusions of the High Council of the Statutory Auditors following the audits carried out in accordance with Articles L. 821-9 et seq. of the French Commercial Code;
- It ensures that the Statutory Auditors comply with the independence conditions defined in Section 2 of Chapter II of Title II of Book VIII of the French Commercial Code; where applicable, it takes the measures necessary for the application of paragraph 3 of Article 4 of Regulation (EU) 537/2014 and ensures compliance with the conditions referred to in Article 6 of the same regulation;
- It approves the provision of the services referred to in Article L. 822-11-2 of the French Commercial Code;
- It regularly reports to the Board of Directors on the performance of its duties. It also reports on the results of the certification of the financial statements, the way in which this duty contributed to the integrity of the financial information and the role it played in this process. It immediately informs it of any difficulties encountered.



The changes in the Board of Directors approved on 30 January 2020 and 18 February 2022 were accompanied by a change in the composition of this Committee:

CAR	From 30/01/2020	After 18/02/2022
Chairperson	Hervé de Beublain	Brand & Retail represented by Nathalie Mesny
Directors	DBay Advisors represented by Iltay Sensagir Véronique Reille-Soult Jérôme Abergel	DBay Advisors represented by Iltay Sensagir

During 2021, the Audit and Risk Committee met twice and the attendance rate of its members was 100%.

Appointments and Compensation Committee (ACC)

At its meeting of 18 February 2022, the Board of Directors extended the powers of the Appointments and Compensation Committee, by assigning it responsibilities in terms of social and environmental responsibility ("CSR"), in accordance with recommendation no. 7 of the MIDDLENEXT Corporate Governance Code.

The duties of the ACC are specified in the rules of procedure adopted on 7 May 2020. The missions specific to the CSR component of the ACC will be re-specified in a new rule of procedure that will be adopted very soon by the Board and which will also take into account the changes to the MIDDLENEXT Code of September 2021.

This Committee:

- Gives its opinion on proposed appointments by the Board of the Chairman and, on the proposal of the Chairman, of the Executive Management;
- Reviews and gives an opinion on proposals for the appointment and dismissal of the Group's main executives (N-1 of the Chief Executive Officer);
- Formulates proposals on the selection of Board members and committee members, taking into account the desirable balance of the composition of the Board with regard to the composition and changes in the Company's shareholding structure and the distribution of men and women on the Board;
- Reviews the independence of Board members and candidates for Board or Committee membership;
- Draws up a succession plan for executive corporate officers in order to be able to propose succession solutions to the Board in the event of an unforeseen vacancy.

The Committee is informed of the policy developed by Executive Management for the management of the Group's senior executives.

As part of its CSR component, this Committee:

- Reviews and gives an opinion on the Group's strategy in terms of social and environmental responsibility and the implementation of projects related to this strategy;
- Formulates CSR proposals with regard to the challenges specific to the Group's activity and objectives, particularly in terms of well-being at work, diversity and the environment and reviews the commitments made by the Group in this area;
- Reviews the annual non-financial performance statement.



The changes in the Board of Directors approved on 30 January 2020 and 18 February 2022 were accompanied by a change in the composition of this Committee:

ACC	From 30/01/2020	After 18/02/2022
Chairman	Surible Topco represented by Diederik Vos	Surible Topco represented by Diederik Vos
Directors	Brand & Retail represented by Nathalie Mesny Ariel Steinmann Philippe Donche-Gay	Ariel Steinmann

In 2021, the Appointments and Compensation Committee met twice and the attendance rate of its members was 100%.

Strategic and Acquisitions Committee (SAC)

The mission of the Strategic Committee is to study the strategy(ies) of the Company that the Chief Executive Officer wishes to implement, particularly in the area of investments and the review of the Group's current activities, and to assess the progress of developments decided.

In terms of strategy, the Committee's mission is to make recommendations to the Board and monitor implementation after the Board's decision on:

- The Company's and Group's strategic plan;
- Strategic partnership, acquisition and asset disposal projects;
- Plans to change the distribution of the Company's share capital among shareholders;
- Any project related to the development and implementation of the Group's strategy.

The changes in the Board of Directors approved on 30 January 2020 and 18 February 2022 were accompanied by a new change in the composition of this Committee:

SAC	From 30/01/2020	After 18/02/2022
Chairman	Philippe Donche-Gay	Synsion Midco represented by Alexis Nasard
Directors	Surible Topco represented by Diederik Vos DBay Advisors represented by Iltay Sensagir Ariel Steinmann	DBay Advisors represented by Iltay Sensagir Philippe Donche-Gay

In 2021, the Strategy Committee met twice and the attendance rate of its members was 100%.

Since 2020, the Strategy Committee has organised a strategic conference each year, bringing together all directors for a full day.

2.1.1.6. Offices and positions held in any company by each of the corporate officers as of 18 February 2022:

In the table below, we provide you with a list of all the offices and positions held in any company by each of the corporate officers of SQLI, during the past financial year and until 18 February 2022:



Table 29. Directors of the Company (other than Mr Philippe Donche-Gay referred to below)

Name of the corporate officers	Terms of office or positions	Company in which the term of office or position is exercised	Location of the company's registered office
Members of the Board of Directors on 18 February 2022			
DBay Advisors Representative of Iltay Sensagir (Director since 30 January 2020)	Director	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
Surible Topco Representative of Diederik Vos (Director since 30 January 2020)	Director	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
	Director	HARVEY NASH GROUP	3, Noble Street London EC2V 7EE (United Kingdom)
Synsion Bidco SAS represented by Bev White	Director	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
Synsion Midco SAS represented by Alexis Nasard	Director	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
Ariel Steinmann (Director since 27 June 2019)	Director	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
Brand & Retail Represented by Nathalie Mesny (Director since 27 June 2019)	Director	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
	Director	Damartex	160, boulevard de Fourmies 59100 Roubaix
Nathalie Mesny	Director	Carmignac	24, Place Vendôme 75001 Paris
Jérôme Abergel	Director representing the employees of SQLI (SA)	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret



Table 30. Chairman and Chief Executive Office as of 18 February 2022

Name of the corporate officers	Terms of office or positions	Company in which the term of office or position is exercised	Location of the company's registered office
Chairman and Chief Executive Office as of 18 February 2022			
Philippe Donche-Gay	Chairman and Chief Executive Officer	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
	Chairman	EXPLEO (SAS)	3, avenue des Prés 78180 Montigny-le-Bretonneux
	Manager	ASTON INSTITUT (one-person limited liability company)	122, rue Edouard Vaillant 92300 Levallois Perret
	Permanent representative of SQLI (Chairman)	INVENT COMMERCE (SAS)	166, rue Jules Guesde 92300 Levallois Perret
	Co-manager	GEIE ICE	Parc de Lisieux - Building B 6, impasse de Lisieux 31300 Toulouse
	Director and Chief Executive Officer	SQLI Luxembourg (SA)	Route d'Arlon 204 L-8010 Strassen, Luxembourg
	Director and Chief Executive Officer	SQLI SA	204, route d'Arlon L-8010 Strassen, Luxembourg
	CEO	SQLI MAROC SA (company incorporated under Moroccan law)	Mahaj Ryad Center, Bâtiments 1 et 2, 3ème, 4ème et 5ème étages, Hay Riad, Rabat Maroc
	Chief Executive Officer	SQLI BELGIUM (company incorporated under Belgian law formerly Eozen Belgium)	Lambroekstraat 5C B-1831 Diegem, Belgium
	Chairman	SQLI SUISSE (company incorporated under Swiss law)	3 avenue William Fraisse CH-1006 Lausanne, Switzerland
	Manager	WAX INTERACTIVE (company incorporated under Belgian law)	B-9830, Saint-Martens-Lateme Kortrijksesteenweg 90 (Belgium)
	Director	SQLI Ltd	118 Commercial Street, London E1 6NF- United Kingdom
	Director	SQLI UK Ltd (formerly Redbox Digital Ltd)	118 Commercial Street, London E1 6NF- United Kingdom
	Director	Redbox Digital ME FZ-LLC	No. 118, Floor Number 1, Building Name Loft No. 02, Dubai Design District, Dubai, (United Arab Emirates)
	Director	Redbox Group SA Property Ltd	South Africa
	Director	STAR REPUBLIC	Ekelundsgatan 9 Göteborg, Sweden
	Director	OSUDIO BELGIUM NV	Wetenschapspark 24 3590 Diepenbeek (Belgium)
	Director	SQLI Danmark Aps	Adelgade 15 13040 Copenhage (Denmark)
Director	SQLI Deutschland GmbH	Phoenixseestrasse 20, 44263 Dortmund, (Germany)	
Director	SQLI Services BV	Luchthavenweg 18D, 5657 EB Eindhoven (The Netherlands)	



Name of the corporate officers	Terms of office or positions	Company in which the term of office or position is exercised	Location of the company's registered office
	Director	OSUDIO Holding BV	De Ruijterkade 6H - 1013A AMSTERDAM, The Netherlands



2.1.2. Compensation and benefits of any kind and “Say on pay” vote

2.1.2.1. Approval of the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind, attributable to the executive corporate officers of SQLI (Article L. 22-10-8 of the French Commercial Code)

General principles and criteria for determining the executive compensation policy:

The general compensation policy applicable to each executive corporate officer of SQLI is decided by the Board of Directors, on the recommendation of the Appointments and Compensation Committee, in principle at the time of the appointment or reappointment of each executive corporate officer.

It is reviewed and discussed each year by the Board, after consulting the Appointments and Compensation Committee.

The determination of this compensation, and in particular, the setting of the annual amount of the variable portion awarded, if applicable, to the corporate officer, is decided on the basis of the work carried out, the results obtained, the experience in the function, the length of service in the Group and the responsibility assumed with the aim of retaining and motivating the Company's executives.

To determine the compensation policy, the Board of Directors also takes into account the principles of comprehensiveness, balance, benchmark, consistency, readability, measurement and transparency recommended by the MIDDLENEXT Corporate Governance Code.

Consequently, the Board of Directors ensures that:

- The compensation of executive officers is determined in an exhaustive manner, so that all components (fixed portion, variable portion, stock options, free shares, directors' fees, special benefits, etc.) are included in the overall assessment of compensation;
- The components of the compensation are justified and are in the general interest of the Company;
- The compensation is assessed, as far as possible, in the context of a reference business and market and proportionate to the Company's situation, while paying attention to its inflationary effect;
- The compensation of executive corporate officers is determined in accordance with that of the Company's other executives and employees;
- The rules are simple and transparent; the performance criteria used to establish the variable portion of compensation must be in line with the Company's performance, correspond to its objectives, be demanding, explainable and, as far as possible, long-term. They must be detailed without calling into question the confidentiality, which may be justified for certain items. The determination of compensation and the allocation of options or free shares must strike a fair balance and take into account the general interest of the Company, market practices and the performance of executives;
- Shareholders are informed on all compensation and benefits received by executives annually and in accordance with the applicable regulations.



Implementation of these general principles and criteria for the 2022 financial year

Pursuant to Article L. 22-10-8 of the French Commercial Code, this paragraph a) describes the implementation of the principles and criteria referred to above, with regard to the determination of the total compensation policy and benefits of any kind, attributable to the Chairman and Chief Executive Officer of SQLI, by virtue of his office, in respect of the 2022 financial year.

It should be noted that the Company no longer has Deputy Chief Executive Officers since the beginning of the 2020 financial year.

In accordance with the aforementioned article of the Code, these principles and criteria are submitted to the approval of the General Meeting of SQLI of 23 June 2022, by a so-called “ex ante” vote.

In the event that these principles and criteria would be approved by the General Meeting of SQLI of 23 June 2022, during the “ex ante” vote, the amounts resulting from their implementation will be, in application of Articles L. 22-10-34 and L. 22-10-9 of the French Commercial Code, submitted for shareholder approval in 2023 in an “ex post” vote.

It is specified that the payment of variable and/or exceptional components of compensation of corporate officers by virtue of their office held in respect of the 2022 financial year is subject to the approval by the 2023 General Meeting of the components of compensation of the corporate officers concerned in respect of said financial year (“ex post” vote).

1. Approval of the principles and criteria for determining, distributing and awarding the components of the total compensation and benefits, of any kind, attributable to the Chairman and Chief Executive Officer in respect of the performance of his office in respect of the 2022 financial year.

The compensation policy for the Chairman and Chief Executive Officer was reviewed and discussed by the Board of Directors at its meeting of 8 March 2022, after consulting the Appointments and Compensation Committee.

This Board therefore decided to continue the policy for determining and allocating the compensation that was applicable to the Chairman and Chief Executive Officer, confirmed its compensation structure and, in accordance with the principles set out above, the criteria for determining, distributing and allocation of the fixed and variable components of this compensation for 2022, as set out below.

It is specified that in the event of early termination of the term of office of the Chief Executive Officer, the components of compensation will be assessed pro rata temporis, until the end date of said term of office.

Annual fixed compensation

The fixed annual compensation of the Chairman and Chief Executive Officer is determined by taking into account the level and difficulty of responsibilities, experience in the function, length of service in the Group and practices in groups or companies of comparable size.

It may be reviewed, taking into account events affecting the Company and other components of compensation; this review may lead to a reassessment of this fixed portion.

Following the review of the structure of the compensation of the Chairman and Chief Executive Officer by the Board of Directors on 8 March 2022, the latter’s fixed compensation, for 2022, was set at €370,000 gross, divided between his compensation paid in respect of his duties as Chief



Executive Officer in the amount of €250,000 gross and that paid in respect of his duties as Chairman of the Board of Directors in the amount of €120,000 gross.



Annual variable compensation

Annual variable compensation rewards the performance of the Chairman and Chief Executive Officer for the past year and aims to establish a link between the interests of this executive and the operational strategy of the Company over the period in question.

This variable compensation is based on specific performance assessment criteria determined in the first half of the year by the Board of Directors, on the advice of the Appointments and Compensation Committee.

The maximum amount of the annual variable compensation of the Chairman and Chief Executive Officer amounts, for 2022, to €350,000 gross, which corresponds to the achievement of 100% of the objectives set based exclusively on the various quantitative criteria approved by the Board of Directors. These criteria are distributed as follows:

- For 60%: 2022 budget (revenue and recurring income);
- For 40%: specific qualitative objectives.

The weighting of each of the components of the aforementioned criteria and the objectives to be achieved are set in the first part of the year and communicated to the Chairman and Chief Executive Officer.

Long-term compensation (allocation of free shares, share purchase/subscription options, financial instruments, etc.)

The annual compensation of the Chairman and Chief Executive Officer may be supplemented by deferred items with longer-term challenges: the allocation of free shares and/or stock options or financial instruments, including the vesting or the possibility of exercise are subject to the fulfilment of conditions and criteria that are determined to be in line with the Group's strategy.

Subject to the adoption by the General Meeting of the authorisations to be granted to the Board of Directors to issue and allocate such instruments, the conditions and criteria for the allocation and exercise of these instruments are determined by the Board of Directors, after consulting the Appointments and Compensation Committee.

In any event, the Board of Directors may not grant free shares or options to the Chairman and Chief Financial Officer upon his departure.

Benefits in kind

The benefits in kind awarded to the Chairman and Chief Executive Officer include the use of a company car, as well as the cost of mandatory and optional insurance, fuel costs, repairs and maintenance and parking of this vehicle, for the part relating to the personal use of this vehicle by the Chairman and Chief Executive Officer.

Severance payments

In view of the significant contribution of Mr Donche-Gay in recent years in a difficult context, the Board of Directors of 19 April 2022 approved the implementation of a compensation system in the event of the termination of his duties as a corporate officer, which entitles him to compensation corresponding to the amount of the total gross annual compensation defined as the sum of (i) the fixed compensation, on an annual basis, received by the Chairman and Chief Executive Officer on the date of termination of his duties and (ii) the average of his annual variable compensation received in respect of the last three complete financial years during which he served as Chairman and Chief Executive Officer. (which excludes any exceptional and/or long-term compensation).



The payment of this compensation would apply in the event of dismissal from his duties as Chairman and Chief Executive Officer unless it is justified by reason of serious or gross misconduct or misconduct that cannot be separated from the duties of Chairman and Chief Executive Officer or in the event of non-renewal of his term of office at the end of his term, unless it is at the initiative of the Chairman and Chief Executive Officer.

Other compensation items

The Board of Directors takes into account, in the overall assessment and determination of the executive's compensation, the other elements of compensation submitted to the approval of the General Meeting as part of the related-party agreements and commitments procedure.

As a reminder, Mr Philippe Donche-Gay does not receive benefits in kind and does not receive any other compensation.

At its meeting of 8 March 2022, the Board of Directors confirmed, in line with what it had decided in respect of the previous financial year, that the Chairman and Chief Executive Officer would not receive the compensation referred to in Article L. 225-45 of the French Commercial Code (formerly referred to as "directors' fees").

Assumption of appointment of a new Chairman and Chief Executive Officer

In general, and with the exception of the severance payment, the components of compensation and its structure described in this compensation policy will also apply, if necessary with the necessary adaptations, to any new Chairman and Chief Executive Officer who would be appointed during the period of application of this policy, taking into account their scope of responsibility and professional experience. This principle will also apply to other benefits that may be offered.

Thus, it will be up to the Board of Directors to determine the compensation of the corporate officer corresponding to these characteristics, in line with that of the current Chairman and Chief Executive Officer and the practices of comparable companies.

Lastly, if the latter does not belong to an entity of the SQLI Group, this new Chairman and Chief Executive Officer could benefit from compensation for taking office in order in particular to indemnify them, if necessary, for any compensation which he would forfeit by leaving his previous employer, up to a ceiling of three months' compensation.

Accordingly, as a result of point 1 above, we submit the following draft resolution to your "ex ante" vote.

Draft resolution submitted to the "ex ante" vote, with regard to the Chairman and Chief Executive Officer:

Approval of the principles and criteria for determining, distributing and awarding the components of the total compensation and benefits of any kind attributable to the Chairman and Chief Executive Officer.

The General Meeting, ruling in ordinary form, having reviewed the Board of Directors' report on corporate governance provided for in the last paragraph of Article L. 225-37 of the French Commercial Code, approves the principles and criteria determining, distributing and awarding the components of the total compensation and benefits of any kind attributable, in respect of his term of office for the 2022 financial year, to the Chairman and Chief Executive Officer, as presented in section 2.1.2. "Compensation and benefits in kind and the Say on Pay vote" of this report.



2.1.2.2. Compensation of corporate officers for financial year 2021

Table 31. Summary table of compensation paid and options and shares granted to corporate officers

Mr Philippe Donche-Gay Chairman of the Board of Directors since 27 June 2019 and Chairman and Chief Executive Officer since 22 September 2020	2019	2020	2021
Compensation paid during the financial year	61,692	201,923 ¹	541,500 ²
Valuation of options granted during the financial year	N/A	N/A	N/A
Valuation of performance shares granted during the financial year	N/A	N/A	N/A
TOTAL	61,692	201,923	541,500

¹ This amount corresponds to the annual fixed compensation of €120,000 for the Chairman of the Board of Directors, Mr Donche-Gay, confirmed by the Board of Directors at its meeting of 7 May 2020 and in respect of the 2020 financial year, to which is added that related to the term of office of Mr Philippe Donche-Gay as Chief Executive Officer, following the combination of his functions as Chairman and Chief Executive Officer decided by the Board of Directors at its meeting of 22 September 2020, i.e. the sum of €201,923, reduced prorata temporis for the effective period of his term of office as Chief Executive Officer, i.e. from 22 September 2020 to 31 December 2020.

² This amount corresponds to the annual fixed compensation of €120,000 for the Chairman of the Board of Directors, Mr Donche-Gay, confirmed by the Board of Directors at its meeting of 15 April 2021 and in respect of the 2021 financial year, to which is added that related to the term of office of Mr Philippe Donche-Gay as Chief Executive Officer, following the combination of his functions as Chairman and Chief Executive Officer decided by the Board of Directors at its meeting of 22 September 2020, extended by the Board of Directors at its meetings of 5 March 2021, 15 April 2021 and 8 March 2022, in order to give the Company the time necessary to recruit a new Chief Executive Officer and finally, following changes within the Company and its shareholding structure, confirmed at its meeting of 19 April 2022, i.e. the sum of €541,500.



Summary tables of compensation due/paid to each executive corporate officer by the Company and controlled companies within the meaning of Article L. 233-16 of the French Commercial Code by the Company

Table 32. Compensation paid or awarded to Mr Philippe Donche-Gay in respect of his office as Chairman of the Board and for the financial year ended 31 December 2021 submitted to the vote of the General Meeting of 23 June 2022:

Mr Philippe Donche-Gay Chairman of the Board of Directors for the 2021 financial year	Financial year 2019		Financial year 2020		Financial year 2021	
	Amounts due ¹	Amounts paid ²	Amounts due ¹	Amounts paid ²	Amounts due ³	Amounts paid ²
Fixed compensation ⁴	61,692	61,692 ⁵	120,000	120,000	120,000	120,000
Annual variable compensation	N/A	N/A	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A	N/A	N/A
Directors' fees/compensation (Art. L. 225-45 of the French Commercial Code)	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	61,692	61,692	120,000	120,000	120,000	120,000

Description of the application of the compensation policy for Mr Philippe Donche-Gay for the exercise of his office as Chairman of the Board of Directors for the 2021 financial year, as approved by the General Meeting of 24 June 2021:

We remind you that the compensation policy for Mr Philippe Donche-Gay for his office as Chairman of the Board of Directors was reviewed and discussed by the Board of Directors at its meeting of 15 April 2021, after consulting the Appointments and Compensation Committee; it was then approved by the General Meeting of 24 June 2021, under the seventh resolution.

As a result of the application of this policy, the elements of compensation paid or allocated to Mr Philippe Donche-Gay for his office as Chairman of the Board of Directors of SQLI, exercised in respect of the 2021 financial year, are as follows:

Annual fixed compensation

The annual fixed compensation for Mr Philippe Donche-Gay for 2021 was determined by taking into account the level and difficulty of the responsibilities entrusted, the practices observed in groups or companies of comparable size and market practices; it is the same as that set for the 2020 financial year.

This annual fixed compensation amounts to €120,000 gross per year.

¹ Compensation due to the executive corporate officer during the financial year and of which the amount is not likely to change regardless of the payment date.

² All of the compensation paid to the executive corporate officer during the financial year.

³ Compensation due to the executive corporate officer during the financial year and of which the amount is not likely to change regardless of the payment date.

⁴ Gross base before tax.

⁵ Compensation prorata temporis.



Annual variable compensation

At its meeting of 15 April 2021, the Board confirmed that it would not award variable compensation to the Chairman of the Board of Directors.

Compensation referred to in Article L. 225-45 of the French Commercial Code (formerly referred to as "directors' fees") It is specified that the Chairman of the Board does not receive any benefits in respect of his office and does not receive the compensation referred to in Article L. 225-45 of the French Commercial Code (formerly referred to as "directors' fees") allocated to the members of the Board of Directors.

Draft resolution on the principle of Say on pay – Ex post vote (Article L. 22-10-34 II of the French Commercial Code):

As a result of the foregoing and in application of Article L. 22-10-34 II of the French Commercial Code, in view of the adoption by the General Meeting of 24 June 2021 of the 7th resolution relating to the compensation policy for Mr Philippe Donche-Gay for the 2021 financial year, the shareholders, at the next Annual General Meeting, will be asked to approve, by means of an "ex post" vote, the components of the total compensation and benefits of any kind paid or allocated to Mr Philippe Donche-Gay, in respect of his office as Chairman of the Board of Directors for the 2021 financial year, as presented above.

Draft text of the resolution: Approval of the components of the total compensation and benefits of all kinds paid or allocated in respect of the past financial year to Mr Philippe Donche-Gay, Chairman of the Board of Directors for financial year 2021.

The General Meeting, pursuant to Article L. 22-10-34 II of the French Commercial Code, ruling in its ordinary form, approves the components of the total compensation and benefits of any kind paid or awarded in respect of the financial year ended in respect of Mr Philippe Donche-Gay's office as Chairman of the Board of Directors for 2021, as presented in section 2.1.2 "Compensation and benefits in kind and the Say on Pay vote" of this report.

Components of compensation paid or awarded to Mr Philippe Donche-Gay in respect of his office as Chief Executive Officer, for the 2021 financial year, following his appointment as Chairman and Chief Executive Officer following the dismissal of Mr Didier Fauque and which will be submitted to the vote of the General Meeting of 23 June 2022.

Information relating to the general principles and criteria used to determine the elements of compensation paid or awarded to Mr Philippe Donche-Gay in respect of his office as Chief Executive Officer for the 2021 financial year and from which he has benefited since the resignation of Mr Didier Fauque from his term of office as Chief Executive Officer.

The compensation policy for the Chief Executive Officer (combining the functions of Chairman and Chief Executive Officer) was reviewed and discussed by the Board of Directors at its meeting of 15 April 2021, after consulting the Appointments and Compensation Committee, which decided to renew the term of office of Mr Philippe Donche-Gay as Chief Executive Officer, in addition to his duties as Chairman of the Board, for a new renewable period of three months, in order to give the Company the time necessary to recruit a new Chief Executive Officer. It was then approved by the General Meeting of 24 June 2021, under the seventh resolution. As a result of the application of this policy, the elements of compensation paid or awarded to Mr Philippe Donche-Gay for his office as Chief Executive Officer of SQLI, in addition to his duties as Chairman of the Board, exercised in respect of 2021, are as follows:

Annual fixed compensation



Following the review of the structure of the Chief Executive Officer's compensation by the Board of Directors on 15 April 2021, the latter's fixed compensation, for 2021, amounts to €300,000 gross.



Annual variable compensation

The maximum amount of the Chief Executive Officer's annual variable compensation for the same period is €300,000 gross, which corresponds to the achievement of 100% of the objectives set based on the various criteria approved by the Board of Directors, after recommendation by the Appointments and Compensation Committee, on the basis of quantitative and qualitative criteria (it being specified that the precise details and the weighting of these criteria are communicated to the Chief Executive Officer but are not made public for reasons of confidentiality).

These criteria are distributed as follows:

- For 50%: achievement of the 2021 budget (revenue and current income);
- For 25%: recruitment and support of a Chief Executive Officer;
- For 25%: development of a new strategic plan for 2022-2025.

It should be noted that the stock market criterion was no longer included in the criteria for calculating the Chief Executive Officer's variable compensation for the 2021 financial year, in view of the extreme volatility of prices caused by the health crisis (COVID).

In accordance with these principles, Mr Philippe Donche-Gay received the following amounts:

Mr Philippe Donche-Gay Chief Executive Officer for the 2021 financial year	Financial year 2019		Financial year 2020		Financial year 2021	
	Amounts due ¹	Amounts paid ²	Amounts due ¹	Amounts paid ²	Amounts due ³	Amounts paid ²
Fixed compensation ⁴	N/A	N/A	81,922.92	81,922.92 ⁵	300,000	300,000 ⁶
Annual variable compensation	N/A	N/A	66,357.57 ⁷	N/A	300,000 ⁸	121,500
Exceptional compensation	N/A	N/A	N/A	N/A	N/A	N/A
Directors' fees/compensation (Art. L. 225-45 of the French Commercial Code)	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	N/A	N/A	132,922.92	81,922.92	600,000	421,500

As indicated above, the Board of Directors decided, at its meeting of 8 March 2022, on the recommendation of the Appointments and Compensation Committee, to set, with regard to the

¹ Compensation due to the executive corporate officer during the financial year and of which the amount is not likely to change regardless of the payment date.

² All of the compensation paid to the executive corporate officer during the financial year.

³ Compensation due to the executive corporate officer during the financial year and of which the amount is not likely to change regardless of the payment date.

⁴ Gross base before tax.

⁵ This amount corresponds to the annual fixed compensation of Mr Philippe Donche-Gay in respect of his office as Chief Executive Officer for the 2020 financial year, reduced prorata temporis for the effective period of said office, i.e. from 22 September 2020 to 31 December 2020, i.e. the sum of €81,922.

⁶ This amount corresponds to the annual fixed compensation of Mr Philippe Donche-Gay in respect of his office as Chief Executive Officer for the 2021 financial year, i.e. the sum of €300,000.

⁷ Variable 2020 paid in 2021.

⁸ Variable for 2021 paid in 2022.



aforementioned criteria, at €300,000, the quantum of variable compensation of Mr Philippe Donche-Gay for the 2021 financial year, given the achievement of 100% objectives.



Draft resolution on the principle of Say on pay – Ex post vote (Article L. 22-10-34 II of the French Commercial Code):

As a result of the foregoing and in application of Article L. 22-10-34 II of the French Commercial Code, the shareholders, meeting at the next Annual General Meeting, will be asked to approve, by a vote known as “ex post”, the components of the total compensation and benefits of any kind paid or allocated to Mr Philippe Donche-Gay, in respect of his office as Chief Executive Officer for the 2021 financial year, as presented above.

Draft text of the resolution: approval of the components of the total compensation and benefits of all kinds paid or allocated in respect of the past financial year to Mr Philippe Donche-Gay, in respect of his office as Chief Executive Officer.

The General Meeting, pursuant to Article L. 22-10-34 II of the French Commercial Code, ruling in its ordinary form, approves the components of the total compensation and benefits of any kind paid or awarded in respect of the past financial year, in respect of his term of office, to Mr Philippe Donche-Gay, Chief Executive Officer, as presented in section 2.1.2. "Compensation and benefits in kind and the Say on Pay vote" of this report.



Table 33. Table showing the compensation referred to in Article L. 225-45 of the French Commercial Code (formerly referred to as “directors’ fees”) and other compensation received by non-executive corporate officers or salaried Directors in respect of the financial year ended 31 December 2021

Non-executive corporate officers	Amounts paid in financial year 2019	Amounts paid in financial year 2020	Amounts paid in financial year 2021
Ms Reille Soult de Dalmatie			
Resignation from her directorship on 08/02/2022			
Directors' fees	23,700	20,000	20,000
Other compensation	N/A	N/A	N/A
Dbay Advisor			
Appointment by co-optation at the Board meeting of 30/01/2020, ratified by the General Meeting on 25/06/2020			
Directors' fees	N/A	20,000	20,000
Other compensation	N/A	N/A	N/A
Surible Topco			
Appointment by co-optation at the Board meeting of 30/01/2020, ratified by the General Meeting on 25/06/2020			
Directors' fees	N/A	20,000	20,000
Other compensation	N/A	N/A	N/A
Mr de Beublain			
Resignation from his term of office as Director on 10/02/2022 and from his term as Chairman on 27/06/2019			
Directors' fees	5,000	20,000	20,000
Other compensation	N/A	N/A	N/A
Ms Steinmann			
<i>Appointment GM 27/06/2019</i>			
Directors' fees	6,700	20,000	20,000
Other compensation	N/A	N/A	N/A
Brand & Retail			
<i>Appointment GM 27/06/2019</i>			
Directors' fees	6,700	20,000	20,000
Other compensation	N/A	N/A	N/A

The amount of compensation referred to in Article L. 225-45 of the French Commercial Code (formerly referred to as “directors’ fees”) is assessed by taking into consideration the attendance of directors at Board meetings.



1. Free shares

The General Meeting of 15 June 2016 authorised the Board of Directors to allocate free existing ordinary shares of the Company, up to a limit of 30,000 shares, to employees and/or corporate officers, or to some of them, the Company and/or entities directly or indirectly related to it within the meaning of Article L. 225-197-2 of the French Commercial Code.

The Board of Directors, making use of this authorisation, made such allocations on 22 February 2017, 18 October 2017 and 27 March 2018.

Similarly, the Combined General Meeting of 25 June 2020 authorised the Board of Directors to allocate, on one or more occasions, free ordinary shares of the Company, existing or to be issued, for the benefit of corporate officers and employees of the Company and companies or groups directly or indirectly related to it, under the conditions of Article L. 225-197-2 of the French Commercial Code and within the limit of 5% of the share capital on the day of the allocation decision.

On 29 January 2021, the Board of Directors, making use of this authorisation, delegated the power to the Chairman and Chief Executive Officer to determine, under the control of the Appointments and Compensation Committee (the "ACC"), within the limits and conditions set by the said Combined General Meeting of 25 June 2020, the criteria and conditions for the allocation of free shares and to establish the payment(s) of the free share plan(s). The Chairman and Chief Executive Officer, using this delegation, determined the criteria and conditions for the allocation of free shares under the terms of the decisions of 4 March 2021 and approved three free share allocation plans, which were approved and ratified by the Board of Directors pursuant to the decisions of 5 March 2021.



Table 34. Summary of free share allocation plans in progress in 2021

	2017		2018	2021			Total
	1 st allocation	2 nd allocation		1 st allocation	2 nd allocation	3 rd allocation	
Date authorised by the GM	15.06.2016	15.06.2016	15.06.2016	25.06.2020	25.06.2020	25.06.2020	N/A
Date granted by the Board of Directors	22.02.2017	18.10.2017	27.03.2018	08.03.2021	26.05.2021	23.08.2021	N/A
Total initial number of free shares granted	22,437	2,300	565	15,000	7,000	3,000	50,302
Total adjusted number of free shares granted ¹	23,010	2,358	579	15,000	7,000	3,000	50,947
Cancellation of free shares following the departure of beneficiaries at the end of the 2020 financial year	-5,334	-	-	-	-	-	-5,334
Total adjusted number of free shares <u>definitively</u> allocated on 31/12/2021	-17,676	-2,358	-579	-	-	-	-20,613
Cancellation of free shares following the departure of beneficiaries in financial year 2021	-	-	-	-	-	-	-
Total adjusted number of free shares not yet definitively allocated as of 31/12/2021	-	-	-	15,000	7,000	3,000	25,000

¹ Adjustment of the number of free shares granted, in order to take into account the capital increase by incorporation of sums deducted from the "share premium" item, decided by the Board of Directors on 18 July 2018, subject to authorisation by the Combined General Meeting of 22 June 2018 (the "Capital Increase"). This adjustment is the result of the following calculation: Adjusted number of free shares granted = number of free shares initially granted x (number of SQLI shares post Capital Increase/Number of SQLI shares before Capital Increase, rounded upwards).



The information required on these free share allocations pursuant to Article L. 225-197-4 of the French Commercial Code is provided in the special report of the Board of Directors to the Combined General Meeting of 22 June 2018 on the allocations of free shares during the 2017 financial year, in the report of the Board of Directors to the Combined General Meeting of 27 June 2019 on the free share allocations during the 2018 financial year and in the Board of Directors' report at the upcoming General Meeting of 23 June 2022 on the allocation of free shares during the 2021 financial year.

Free shares granted to corporate officers under the aforementioned plans

In February 2017, the Board of Directors, pursuant to the authorisation granted by the Combined General Meeting of 15 June 2016, decided to allocate, free of charge, (i) 1,437 shares to Mr Didier Fauque, then Chief Executive Officer (ii) as well as a total number of 21,000 shares to certain employees.

In March 2018, the Board of Directors, pursuant to the authorisation granted by the Combined General Meeting of 15 June 2016, decided to grant 565 free shares to Mr Didier Fauque, then Chief Executive Officer.

The free shares allocated to Mr Didier Fauque, specified above, were definitively allocated to him on 1 January 2021.

No free shares were granted by the Board of Directors on 5 March 2021 to a corporate officer of the Company. The 25,000 shares granted were only granted to certain employees.

2. Stock options

The General Meeting of 15 June 2016 and 28 June 2017 authorised the Board of Directors to grant to the employees and/or corporate officers, or to some of them, of the Company and/or its entities linked, within the meaning of Article L. 225-180 of the French Commercial Code, to options giving the right to acquire shares at a determined price.

The Board of Directors, making use of these various authorisations, granted stock options on 22 February 2017, 18 October 2017 and 27 March 2018.

The information required on these stock options pursuant to Article L. 225-184 of the French Commercial Code is provided in the special report of the Board of Directors to the Combined General Meeting of 22 June 2018 on the stock options.



Table - Summary of stock option plans outstanding in 2021 :

	2017	
	1 st allocation	2 nd allocation
Date authorised by the GM	15.06.2016	28.06.2017
Date of the Board of Directors meeting	22.02.2017	18.10.2017
Total number of stock options granted	28,000	2,000
Initial purchase price (in euros)	€32.84	€33.01
Adjusted purchase price ¹ (in euros)	€32.04	€32.20
Total initial number of shares to which stock options give entitlement	28,000	2,000
Total adjusted number of shares to which stock options give entitlement ²	27,675	2,052
Total number of options already exercised at 31/12/2021	-	-

It should be noted that the purchase options were definitively granted on 1 January 2021, but have not yet been exercised (purchase price higher than the current stock market price of the SQLI share).

Stock options granted to corporate officers under the aforementioned plans

On 22 February 2017, the Board of Directors, pursuant to the authorisation granted by the Combined General Meeting of 15 June 2016, decided to grant (i) 10,000 stock options to Mr Didier Fauque and (ii) a total number of 18,000 stock options to certain employees.

¹ Adjustment of the purchase price, in order to take into account the capital increase by incorporation of sums deducted from the "share premium" item, decided by the Board of Directors on 18 July 2018, subject to the authorisation of the Combined General Meeting of 22 June 2018 (the "Capital Increase"). This adjustment results from the following calculation: adjusted purchase price = initial purchase price (number of SQLI shares before Capital Increase/number of SQLI shares after the Capital Increase).

² Adjustment of the number of shares to which the options give right so that the total of the purchase prices remain constant, in order to take into account the capital increase by incorporating the amounts drawn on the item "issue premium", decided by the Board of Directors on 18 July 2018, on the authorisation of the Combined General Meeting of 22 June 2018 ("Capital Increase"). This adjustment results from the following calculation: total adjusted number of shares to which the options give right = total adjusted number of shares to which the options x give right (initial purchase price/adjusted purchase price, rounded to the higher unit).



The table below describes the stock options thus granted to Mr Fauque:

Stock options granted during the 2017 financial year to the corporate officer by the issuer								
Name	Plan number and date	Nature	Valuation of options according to the method used ¹	Number of options granted during the 2014 financial year	Strike price	Adjusted number of shares ² to which the options granted give entitlement	Performance conditions	Exercise period
Didier Fauque	2017 plan 22/02/17	Purchase options	€91,600	10,000	Initial: €32.84 After adjustment ³ : €32.04	10,250	Without	23/02/19 22/02/24

The Board of Directors meeting of 22 February 2017 did not make the exercise by Mr Didier Fauque of all or part of the stock options subject to a performance condition, notwithstanding the provisions of the MIDDLENEXT Code for the following reasons:

The allocation of stock options is part of Mr Fauque's compensation in respect of financial year 2016, in accordance with the decision of the Board of Directors on 28 April 2016.

On 22 February 2017, the Board of Directors decided that in the event of the exercise of his options, Mr Fauque must retain 5% of his shares acquired following the exercise of his options in registered form until the termination of his functions as corporate officer.

It should be noted that the Board of Directors, at its meeting of 22 September 2020, which pronounced the resignation from the office of Chief Executive Officer of Mr Didier Fauque, took the decision to lift the presence condition for the exercise of the stock option plans and free share plans in force, of which Mr Didier Fauque was the beneficiary to date.

¹ Appendix 2 of the aforementioned AMF Position-Recommendation No. 2014-14 specifies that this box must be completed by the "value of the shares at the time of their allocation as used in the context of the application of IFRS 2, in particular after taking into account a potential discount linked to performance criteria and the probability of continued employment in the Company at the end of the vesting period, but before the deferral of the expense under IFRS 2 over the acquisition period".

² Adjustment of the number of shares to which the options give right so that the total of the purchase prices remain constant, in order to take into account the capital increase by incorporating the amounts drawn on the item "issue premium", decided by the Board of Directors on 18 July 2018, on the authorisation of the Combined General Meeting of 22 June 2018 ("Capital Increase"). This adjustment results from the following calculation: total adjusted number of shares to which the options give right = total adjusted number of shares to which the options x give right (initial purchase price/adjusted purchase price, rounded to the higher unit).

³ Adjustment of the purchase price, in order to take into account the capital increase by incorporation of sums deducted from the "share premium" item, decided by the Board of Directors on 18 July 2018, subject to the authorisation of the Combined General Meeting of 22 June 2018 (the "Capital Increase"). This adjustment results from the following calculation: adjusted purchase price = initial purchase price (number of SQLI shares before Capital Increase/number of SQLI shares after the Capital Increase).



2.1.2.3. Equity ratios and comparative evolution of compensation

In accordance with Article L. 225-37-3 I 6°, the ratios between the level of compensation of the Chief Executive Officer and the average and median compensation of SQLI SA employees (France scope) as well as their annual evolution of compensation are provided below:

Table 35. Equity ratios

Chief Executive Officer (Philippe Donche-Gay - start of term of office 22/09/2020)	2019	2020	2021 ¹
Compensation ratio compared to the average of the Company's employees		15.5	15.0
<i>Change N/N-1 in %</i>		N/A	-3.2%
Compensation ratio compared to the median of the Company's employees		19.6	16.6
Change N/N-1 in %		N/A	-15.4%
<i>Compensation ratio compared to the SMIC (minimum wage)</i>		38.98	37.75
Change N/N-1 in %		N/A	-3.1%
Chief Executive Officer (Didier Fauque - end of term of office 22/09/2020)	2019	2020 (22/09)	2021 ²
Compensation ratio compared to the average of the Company's employees	13.8	9	/
<i>Change N/N-1 in %</i>	-5.2%	-34.8%	/
Compensation ratio compared to the median of the Company's employees	16.0	11.4	/
<i>Change N/N-1 in %</i>	-0.7%	-28.8	/
<i>Compensation ratio compared to the SMIC (minimum wage)</i>	36.9	31.5	/
<i>Change N/N-1 in %</i>	2.6	-14.8	/

¹ Ratios calculated for a full year (pro forma).

² Ratios calculated for a full year (pro forma).



Table 36. Comparative evolution of the Company's compensation and performance

In accordance with Article L. 225-37-3 I 7°, the annual percentage changes in the Company's performance, the average compensation of employees and the compensation of executives are provided below.

	2019/2018	2020/2019	2021/2020 ¹
Chief Executive Officer (Philippe Donche-Gay - start of term of office 22/09/2020)		N/A	0%
Chief Executive Officer (Didier Fauque - end of term of office 22/09/2020)	4.2%	-37.9%	/
Average of the Company's employees	9.9%	-4.9%	3.3%
Revenue	-0.2%	-10.5%	
Gross margin	0.6%	-62.5%	

2.1.3. Other information required in the corporate governance report

2.1.3.1. Information on share capital

1. Capital structure

We remind you that Article 26 of the SQLI Articles of Association grants double voting rights:

- "To all fully paid-up shares that have been registered in the name of the same shareholder for at least three (3) years;
- To the registered shares allocated to a shareholder, in the event of a capital increase by incorporation of reserves, profits or issue premium, due to old shares for which he benefits from this right".

¹ Ratios calculated for a full year (pro forma).



2. Summary table of delegations valid at 31 December 2021 in the area of capital increases (Article L. 225-37-4, 3° of the French Commercial Code)

Table 37. Summary table of delegations valid at 31/12/2021

Date GM	Resolution no.	Delegation of authority granted to the Board of Directors to...	Validity period	Maximum nominal amount	Used 2021
24 June 2021	14	Reduce share capital by cancelling shares	18 months	10% of the Company's share capital per 24-month period	No
	15	Decide on the issue of ordinary shares and securities, with preferential subscription rights for shareholders	26 months	€2,000,000	No
	16	Decide on the issue, through an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code, of ordinary shares or any other securities giving access to the share capital or giving entitlement to the allocation of debt securities of the Company without preferential subscription rights	26 months	€2,000,000	No
	17	Decide to issue, with cancellation of preferential subscription rights, to categories of persons, shares and securities giving access to the share capital or giving entitlement to the allocation of debt securities of the Company	18 months	€2,000,000	No
	18	Decide on the issue of ordinary shares and securities giving access to the share capital, in the event of excess requests	26 months	€2,000,000	No
	19	Set the issue price in accordance with the terms set by the General Meeting up to a limit of ten percent (10%) of the share capital; in the event of the issue of ordinary shares or any other securities giving access to the share capital without preferential subscription rights	26 months	10% of the share capital per 12-month period	No
	20	Decide the issue, with cancellation of preferential subscription rights, of shares and securities, with a view to remunerating contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital	26 months	€2,000,000	No
	21	Decide to grant stock options	38 months	5% of share capital	No
	22	Decide to grant stock options	38 months	5% of share capital	No
	23	Decide to proceed with the allocation of free shares, existing or to be issued, with in the latter case, cancellation of the preferential subscription right	38 months	5% of share capital	Yes
24	Carry out a capital increase under the conditions provided for in Articles L. 3332-18 et seq. of the French Labour Code (PEE)	26 months	3% of share capital	No	



2.1.3.2. Elements likely to have an impact in the event of a takeover bid

There are no statutory restrictions on the exercise of voting rights and share transfers or clauses of the agreements referred to in Article L. 233-11 of the French Commercial Code that have been brought to the attention of the Company.

The direct or indirect shareholdings in the capital of SQLI of which the latter is aware appear in paragraph c/ of Title III of the Management Report.

There are no securities that provide special control rights.

There are no control mechanisms in the employee shareholding system, when the rights of control are not exercised by the latter.

There is no agreement between shareholders of which SQLI is aware that could result in restrictions on the transfer of shares or the exercise of voting rights.

The rules applicable to the appointment and replacement of members of the Board of Directors are those provided for by law.

In terms of amendment of the Articles of Association, Article 28 of the Articles of Association of SQLI provides that "The Extraordinary General Meeting may amend the Articles of Association in all their provisions and notably decide on the transformation of the Company into a company in another form, civil or commercial. However, it may not increase shareholders' commitments, subject to transactions resulting from a duly carried out reverse stock split.

The Extraordinary General Meeting may validly deliberate only if the shareholders present or represented, or voting by post, hold at least one-quarter of the shares with voting rights on the first notice and, on the second notice, one-fifth of the shares with voting rights. In the absence of this last quorum, the second General Meeting may be extended to a date no later than two months after the date on which it was convened.

The Extraordinary General Meeting rules by a two-thirds majority of the votes held by shareholders present or represented, or voting by mail, unless otherwise permitted by law".

The Board of Directors has been authorised by the General Meeting to carry out certain share issues or buybacks.

This report includes a summary table of the current delegations granted by the General Meeting to the Board of Directors in the area of capital increases, showing the use made of these delegations during the financial year ended 31 December 2021.

The General Meeting did not restrict the Board's ability to implement the delegation during a takeover bid.

There are no agreements concluded by SQLI that would be modified or would cease in the event of a change in control, it being specified that in the event that any third party person outside of the Group (besides manager shareholders), acting alone or in concert, comes to hold more than 30% of the share capital or more than 30% of the voting rights in SQLI, SQLI would be obliged to repay the outstanding borrowings approved under the loan agreement dated 16 March 2017 specified in the Management Report.

There is no agreement providing for compensation for members of the Board of Directors, should they resign as a result of a takeover or exchange offer.



2.1.3.3. Shareholder participation in the General Meeting

SQLI Articles of Association¹ do not provide for any specific terms and conditions for participation in General Meetings. General Meetings are held under the conditions provided for by law and the Regulations, at the Company's registered office or at any other place indicated in the notice of meeting.

Any shareholder may participate in General Meetings, in person or by proxy, under the conditions set by Law.

Thus, a shareholder may be represented by his or her spouse, the partner with whom he or she has entered into a civil solidarity pact, another shareholder, and any natural or legal person of his or her choice who can hold a mandate under the conditions provided for by law and the Regulations.

Any shareholder may vote by post using a form, which they may obtain under the conditions indicated in the General Meeting notice.

In order to facilitate the participation of shareholders in General Meetings, and in accordance with the recommendations of the Autorité des marchés financiers, the Law and the Regulations, the Company publishes all meeting documentation on a dedicated website for at least 21 days before the Meeting.

Ordinary and Extraordinary General Meetings are generally held in June of each year. Attendance at these meetings for the last three years was as follows:

- Combined General Meeting of 27 June 2019: shareholders present, represented or voting by post represented 56.473% of the shares with voting rights and 54.463% of the total number of votes.
- Combined General Meeting of 25 June 2020: the shareholders present, represented or having voted by post represented 59.793% of the shares with voting rights and 56.887% of the total number of votes.
- Combined General Meeting of 24 June 2021: the shareholders present, represented or having voted by post represented 68.126% of the shares with voting rights and 64.640% of the total number of votes.

2.1.3.4. Agreement(s) entered into by a director or significant shareholder of the parent company with a subsidiary

In accordance with the last paragraph of Article L. 225-37-4, paragraph 2 of the French Commercial Code, we inform you that the Company's Board of Directors authorised, in application of Articles L. 225-38 et seq. of the French Commercial Code, the signing of an agreement called the Tender Offer Agreement between the Company and DBay ("the agreement"), detailing the respective commitments of the Company and DBay as part of the implementation of the takeover bid initiated by DBay and presented in paragraph I "Group activity in 2021".

The Agreement was entered into on 23 September 2021 prior to the announcement of the draft Offer by DBay and the Company on the same day.

The purpose of the Agreement is to organise the stages of implementation of the Offer and the terms of cooperation between the Company and DBay in this context.

¹ Available at the registered office, at the Clerk of the Commercial Court of Nanterre and on the Company's website: www.sqli.com



The persons directly or indirectly interested in entering into the Agreement are DBay, a shareholder holding approximately 28.6% of the Company's share capital and party to the Agreement.



The main terms and conditions of the Agreement are as follows:

The agreement details the different stages of the Bid as well as the respective obligations and commitments of the parties. It states in particular:

- A commitment undertaken by the Company not to solicit, initiate or encourage an offer from a person other than DBay relating to the sale of issue of Company shares, it being specified that such a commitment will not prevent the members of the Board of Directors from fulfilling their fiduciary obligations towards the Company and its shareholders in the event of a competing bid;
- A commitment of cooperation intended to allow DBay to appoint new representatives to the Company's Board of Directors in the event that the bid is successful;
- A commitment undertaken by DBay to propose liquidity agreements to beneficiaries of outstanding stock options and free shares allocated by the Company and which cannot be tendered to the Bid due to unavailability or a retention obligation, according to the financial conditions consistent with the Bid price;
- A cooperation commitment aimed at facilitating the finalisation of the financing of the offer and obtaining refinancing from the Group;
- The usual commitments undertaken by SQLI in terms of management in the normal course of business;
- The usual declarations of the parties relating in particular to the power to conclude the Agreement and, with regards to the Company, the amount of the share capital and the quality of the information provided in the contract.

The reasons justifying the interest of this agreement are as follows:

The Board of Directors welcomed the proposed public offer of DBay, which wishes to consolidate its position as a reference shareholder in order to be able to provide more stability and support to the company and its ambition for growth. In this context, the Board of Directors approved the signing of the Agreement.



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CHAPTER 3. SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

3.1. Presentation of the Group and its business model

Please refer to Chapter 1. "Presentation of the SQLI Group and its activities" in this 2021 Universal Registration Document and, more specifically:

- Main resources => see paragraph 1.3.4. "The Group's driving forces";
- Main activities => see section 1.3.1. "Activities: European services group dedicated to the digital world";
- Main achievements => see paragraph 1.3.6. "Customer reference - Demonstration of SQLI capabilities";
- Strategy and outlook => see section 1.3.8. "Main markets and strategies" and paragraph 1.4.4. "Trend information";
- The graphic formalisation of the business model with comments => see paragraph 1.3.1. "Activities: European services group dedicated to the digital world" and in particular Table 3. "The SQLI business model".

3.2. Presentation of the Group's CSR strategy

3.2.1. Identification of CSR issues

SQLI carried out a materiality analysis in order to identify the main corporate social responsibility issues applicable to the Group and its activities.

The results of this analysis led to the identification of the following CSR issues:

Social issues	Ethics and governance issues	Environmental issues
<ul style="list-style-type: none"> ● Attractiveness, talent retention, well-being and engagement ● Skills development and transformation ● Diversity and equal opportunity 	<ul style="list-style-type: none"> ▲ Ethics and compliance ▲ Operational security including cybersecurity and data protection ▲ Customer satisfaction 	<ul style="list-style-type: none"> ⬠ Environmental impact

With regard to the fight against tax evasion, this topic was the subject of an internal assessment and was not considered to be a material topic. It does not therefore justify expanding upon in this report as a main CSR risk. In addition, in 2019, the Group called on an external firm to audit its transfer pricing policy.

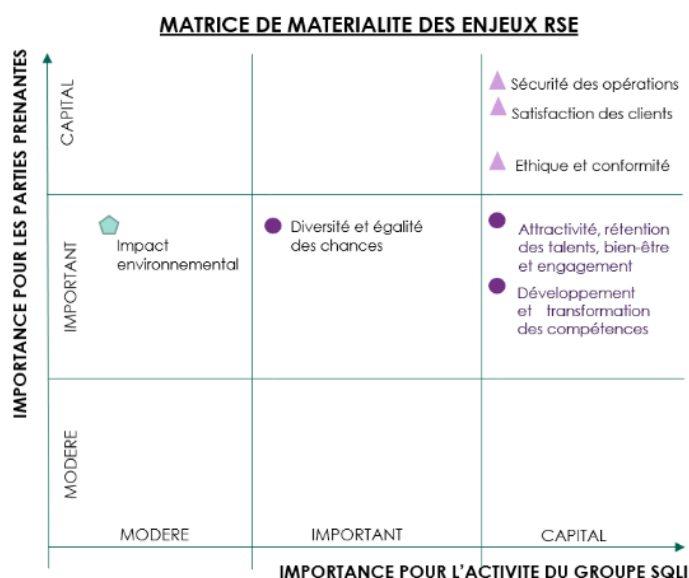
3.2.2. Rating of priority CSR issues

SQLI then ranked each of the issues according to its importance for the Group (x-axis) and its stakeholders (y-axis). The SQLI Group's stakeholders include:



Les clients	Customers
Les collaborateurs	Employees
Les actionnaires	Shareholders
Les fournisseurs, partenaires et sous-traitants	Suppliers, partners and subcontractors

The materiality matrix presented below highlights the actions on which the SQLI Group must focus as a priority.




Matrice de matérialité des enjeux RSE	CSR materiality matrix
Importance pour les parties prenantes	Importance for stakeholders
Capital	Capital
Important	Important
Modéré	Moderate
Impact environnemental	Environmental impact
Diversité et égalité des chances	Diversity and equal opportunity
Sécurité des opérations	Transaction security
Satisfaction des clients	Customer satisfaction
Ethique et conformité	Ethics and compliance
Attractivité, rétention des talents, bien-être et engagement	Attractiveness, talent retention, well-being and engagement
Développement et transformation des compétences	Skills development and transformation
Importance pour l'activité du groupe SQLI	Importance for the activity of the SQLI group










As part of this materiality analysis, SQLI has prioritised the seven CSR issues summarised below:

Issue category	Field of activity	Description of the issue	Management of the issue
Social	● Attractiveness, talent retention, well-being and engagement	⇒ Retention of key know-how and skills ⇒ Attractiveness and recruitment of new talents	Human Resources Department / Legal Department (Code of Conduct)
Social	● Skills development and transformation	⇒ The Group's ability to train its employees in the needs of customers and new business lines related to changes in technologies and practices	Human Resources Department
Social	● Diversity and equal opportunity	⇒ Prevention of all forms of discrimination	Human Resources Department / Legal Department (Code of Conduct)
Ethics and governance	▲ Ethics and compliance	⇒ Compliance with the laws and regulations applicable to the Group's activities in the jurisdictions in which it operates	Legal Department
Ethics and governance	▲ Transaction security	⇒ Compliance with personal data protection rules	Legal Department / Department of Information Systems Security (DSSI)
Ethics and governance	▲ Customer satisfaction	⇒ Balance between the proposed service and customer requirements ⇒ Compliance with contractual obligations	Delivery Excellence Department
Environment	Environmental impact	⇒ Limiting CO ₂ emissions during business travel by the Group's employees ⇒ Reduction of energy consumption within the Group	General services

3.2.3. Action plans and indicators associated with CSR issues

● SOCIAL ISSUES				
Issues	Policies/action plans	Key indicators	Scope	Page
Attractiveness, talent retention, well-being and engagement 	<ul style="list-style-type: none"> Group recruitment policy and integration of acquired companies Co-optation campaign Remote working HR team leader Deployment of the HR cycle Management of the Covid-19 crisis Prevention of psychosocial risks Occupational health and safety training Code of Conduct 	<ul style="list-style-type: none"> ⇒ Number of hires ⇒ Number of hires by gender ⇒ Number of hires by type of contract ⇒ Percentage of hires from the co-optation system ⇒ % of employees who completed a annual performance review ⇒ Voluntary turnover ⇒ Absenteeism rate ⇒ Workplace accident severity rate ⇒ Workplace accident frequency rate ⇒ % of employees working from home 	Group	p. 132 to 134

<p>Skills development and transformation</p> 	<ul style="list-style-type: none"> • Training plan • Training in line with the Group's guidelines • Partnerships with training professionals • E-learning for customised and on-demand training • Training of local managers • Internal training • Cybersecurity training 	<ul style="list-style-type: none"> ⇒ Number of training hours ⇒ Number of e-learning training hours ⇒ Number of training hours per employee ⇒ Percentage of employees trained via e-learning ⇒ Number of certifications obtained ⇒ Distribution of training per field 	<p>Group</p>	<p>p. 134 to 136</p>
<p>Diversity and equal opportunity</p> 	<ul style="list-style-type: none"> • Support for the United Nations Global Compact • Training of young people in the Company's professions • Communication and awareness-raising on the topic of disability • Gender equality • Code of Conduct • Solidarity actions 	<ul style="list-style-type: none"> ⇒ Number of employees by gender ⇒ Number of employees by age ⇒ Employment rate among seniors ⇒ Number of employees by seniority ⇒ Number of employees by professional category ⇒ % of women in management positions ⇒ % of women in management bodies ⇒ Number of part-time employees ⇒ Number of employees by type of contract ⇒ Number of employees with a disability ⇒ Employment rate of employees with disability ⇒ Number of interns ⇒ Number of work-study students ⇒ Comparison of the average salary for men and women 	<p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>France</p> <p>France</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p> <p>Group</p>	<p>p. 137 to 140</p>
<p>ETHICS AND GOVERNANCE ISSUES</p>				
<p>Issues</p>	<p>Policies/action plans</p>	<p>Key indicators</p>	<p>Scope</p>	<p>Page</p>
<p>Ethics and compliance</p> 	<ul style="list-style-type: none"> • Support for the United Nations Global Compact • Risk mapping • Group Legal Department, Group compliance player • SQLI Code of Conduct • Ethics Committee • Gifts and invitations policy • SQLI contract templates • Changes in the purchasing policy • Compliance training • Prevention of insider trading 	<ul style="list-style-type: none"> ⇒ Number of incidents confirmed or legal actions reported for corruption ⇒ Percentage of employees familiar with the SQLI code of conduct ⇒ Number of incidents reported via the alert procedure in place 	<p>Group</p> <p>France</p> <p>Group</p>	<p>p. 141</p>

	<ul style="list-style-type: none"> • Board of Directors' Rules of Procedure • Delegation of powers and responsibilities • Corporate governance 	⇒ Percentage of participation in Board of Directors' meetings	France	
Transaction security 	<ul style="list-style-type: none"> • Department of Information Systems Security (DSSI) • Security Officers • CSSI Committee • ISO 27001 certification • Security policies • Raising awareness of cybersecurity issues • Safety insurance plan • Charter for the use of it resources • GDPR Officer • GDPR policies • GDPR Committee • GDPR training • GDPR audits • SQLI GDPR conditions • Deployment of new GDPR documents • Membership of the AFCDP Agora • Cybersecurity insurance 	⇒ Total number of claims for breach of customer privacy and loss of customer data resulting in legal action	Group	p. 141
Customer satisfaction 	<ul style="list-style-type: none"> • End-to-end approach • Satisfaction surveys • Management of the covid-19 crisis • Training of sales representatives on SQLI offers 	⇒ Net promoter score	France Switzerland Belgium	p. 142
 ENVIRONMENTAL ISSUES				
Issues	Policies/action plans	Key indicators	Scope	Page
Environmental impact 	<ul style="list-style-type: none"> • Support for the United Nations Global Compact • Establishment of best practices • Waste management • Training of buyers on CSR issues • Responsible purchasing • Supplier CSR assessment • Virtualisation of servers, recycling of IT equipment and print cartridges • New premises policy • Fleet policy • Stakeholder awareness • Actions taken to promote biodiversity • Digital sobriety offer 	⇒ Percentage of buyers who have received training on responsible purchasing	France	p. 142 to 144
		⇒ Electricity consumption	Group	
		⇒ Average annual electricity consumption per employee	Group	
		⇒ CO ₂ consumption during business trips by SQLI (France) employees	France	
		⇒ Paper consumption in kg	Group	
		⇒ % of eco-responsible certified paper purchased in kg	Group	

		⇒ Quantity of paper purchased per employee	Group	
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3.3. Commitment to the United Nations

3.3.1. Support for the United Nations Global Compact



The SQLI Group is a signatory of the United Nations Global Compact and supports the ten principles of the Global Compact concerning human rights, international labour standards, environmental protection and the fight against corruption. As part of its support for the Global Compact, the SQLI Group is also committed to promoting these principles to its stakeholders.

3.3.2. Contribution to the United Nations Sustainable Development Goals (SDGs)

SQLI SUPPORTS THE SDGs



The Sustainable Development Goals (SDGs) correspond to the seventeen global goals adopted by the United Nations General Assembly that States are committed to achieving by 2030. The SDGs define global priorities and aspirations for sustainable development to eradicate poverty, protect the planet and ensure prosperity for all.

The SQLI Group contributes to the United Nations SDGs through the policies and action plans it implements in terms of sustainable development and corporate responsibility.

With regard to the Group's activities, the following SDGs have been selected:

ISSUES	CONTRIBUTION TO THE SDGs
<p>SOCIAL ISSUES</p>	<p>3 BONNE SANTÉ ET BIEN-ÊTRE</p> <p>8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE</p> <p>4 ÉDUCATION DE QUALITÉ</p> <p>5 ÉGALITÉ ENTRE LES SEXES</p> <p>10 INÉGALITÉS RÉDUITES</p>
<p>ETHICS AND GOVERNANCE ISSUES</p>	<p>4 ÉDUCATION DE QUALITÉ</p> <p>8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE</p> <p>16 PAIX, JUSTICE ET INSTITUTIONS EFFICACES</p>
<p>ENVIRONMENTAL ISSUES</p>	<p>9 INDUSTRIE, INNOVATION ET INFRASTRUCTURE</p> <p>12 CONSOMMATION ET PRODUCTION RESPONSABLES</p> <p>13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES</p> <p>17 PARTENARIATS POUR LA RÉALISATION DES OBJECTIFS</p>

3.4. External CSR recognition

The commitments and actions implemented by the SQLI Group in terms of sustainable development and corporate responsibility are recognised via various external validations.

ECOVADIS:



The SQLI Group's CSR strategy is assessed each year by ECOVADIS, an independent non-financial rating agency. ECOVADIS specialises in assessing CSR performance on four themes (social, environment, business ethics, responsible purchasing).

In 2021, the SQLI Group obtained a score of 58/100, thus positioning itself among the 25% of the best-rated companies by ECOVADIS.

GAIA RATING:



The purpose of the GAIA Index is to measure the commitment of companies in terms of governance, environmental and societal risks.

For the 2021 Gaïa rating, the SQLI Group obtained a score of 73/100, an increase of 1 point compared to the previous year's assessment (and a score of 61/100 in 2019).

PROVIGIS:



In 2022, SQLI (France) plans to obtain two PROVIGIS certifications (supplier compliance specialist): a "Silver Responsible Supplier" certification and a "Bronze Responsible Purchaser" certification attesting to the commitment of SQLI (France) in responsible purchasing.

3.5. Social issues

3.5.1. Attractiveness, talent retention, well-being and engagement



DESCRIPTION OF THE ISSUE:

The digital environment (consulting, marketing and technology) is extremely tense in terms of human resources, with the high value-added and fast-growing businesses in this sector consuming a great deal of qualified and expert labour.

The ability of the SQLI Group to grow over the coming years and to respond positively to the demands of its customers also depends on its ability to attract, recruit, motivate and retain competent and expert people in its field.

The SQLI Group is thus exposed to the scarcity of available human resources and to the recruitment of its best potential by its competitors or its own customers.

Under these conditions, the risk of encountering difficulties in terms of recruitment and retention may exist.

Recruitment difficulties and an increase in turnover could therefore make it impossible to serve the Group's strategy in order to support the Group's growth.

In addition, the lack of investment in the quality of life at work and in the transmission of the Company's values can be the cause of a disengagement, a lack of motivation or even a significant number of departures of employees to competitors.

In order to mitigate this risk of departures, particularly of key employees, including in the event of external growth, the SQLI Group may be forced to grant salary increases that are not immediately reflected in its pricing, so that the Group's activity and future results could be degraded.

In view of the current health context linked to the Covid-19 epidemic, the well-being, safety and health protection of employees are all the more important for the Group.

Therefore, in order to address all of these risks, the SQLI Group must be able to meet the following challenges:

- Attract the best Digital professionals and retain talent;
- Providing an environment that promotes quality of life at work, protects the health and safety of employees;
- Motivate all employees to participate in the Group's projects.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

As part of the policies and actions carried out in terms of attractiveness, talent retention, well-being and engagement, the SQLI Group contributes to the following SDGs: 3 (Good health and well-being) and 8 (Decent work and economic growth).

➤ **GROUP RECRUITMENT POLICY AND INTEGRATION OF COMPANIES ACQUIRED:**

The SQLI Group implements a recruitment policy based on a consolidated Recruitment Plan and a selective recruitment policy, based on technical and language tests and HR interviews focused on candidates' skills. As part of the integration of new hires, the SQLI Group regularly organises an induction seminar combining information and presentation of the Group, local information, meetings with managers and cohesion actions. These seminars are performed in person when the health context allows, or remotely. The SQLI Group also appoints a mentor in charge of facilitating the integration of the new employee on a daily basis. Concerning the integration of employees resulting from acquisitions, the SQLI Group carries out operational due diligences enabling it to understand the integration challenges and prepares an integration plan for each of the target companies. With respect to the intensification of its international expansion, at the start of 2022, the SQLI Group created a SQLI International Human Resources Department to facilitate the integration of the companies acquired and harmonise the Group's practices.

➤ **CO-OPTATION CAMPAIGN:**

In order to attract new talents, the SQLI Group has set up a co-optation system in France, Belgium, Switzerland, Spain and Morocco. Thus, for any co-optation carried out by a SQLI employee, the latter receives a bonus of a predefined amount. This practice not only attracts new talent but also helps to retain employees already hired.

The SQLI Group also organises co-optation challenges, on a seasonal basis and for certain profiles, thus rewarding the strongest contributors to co-optation. In 2021, 14% of SQLI group recruitments were carried out via the co-optation system.

➤ **REINFORCEMENT OF TELEWORKING:**

Due to the epidemic waves of Covid-19, the SQLI Group once again prioritised remote working in 2021. Prior to the health crisis, the SQLI entity (France) had already implemented this mode of working via Flex@Sqli. A new remote working system is being considered and will be implemented in 2022.

➤ **HR TEAM LEADER:**

In order to be more attentive to employees and better meet their expectations, SQLI promotes close relations. We thus created in 2020, within our companies located in France, Switzerland, Belgium, Spain, the United Kingdom and Morocco, the role of HR Team Leader, responsible for ensuring the career development of the eight employees he/she monitors on average along with the conditions of the assignment and integration within the Group. The HR Team Leader is also a real link between the Group's strategy and the daily lives of our employees. The SQLI Group has also created an e-learning certification course on managerial practices and the role of the HR Team Leader, to which each HRTL has access.

➤ **DEPLOYMENT OF THE HR CYCLE:**

The HR cycle is a transparent and fair career support cycle based on performance, potential and compensation. It consists of three highlights: the People Review, Salary Reviews and the Annual Performance Report. Each year, the employees carry out an annual performance review with their manager or HR Team Leader. This annual performance review is a key practice in the management of human resources at the SQLI Group. It makes it possible to take stock of the work accomplished, set new objectives, and better understand the expectations and difficulties encountered by employees. Despite the health crisis, 98% of employees in the SQLI entity (France) completed a BAP in 2021, which is up 9 points compared to the previous year. In 2021, the HR Cycle system was reorganised to integrate, in 2022, SQLI UK LTD (formerly REDBOX), STAR REPUBLIC and OSUDIO.

➤ **MANAGEMENT OF THE COVID-19 CRISIS:**

The actions implemented in 2020 in response to the health crisis continued in 2021, including in particular:

- Teleworking extended to all employees during lockdown periods;
- Daily support for managers, in particular via our One Genius e-learning platform and its module dedicated to remote management;
- Reinforcement of the link with our employees through daily communication actions (fun and positive internal newsletters), regular virtual meetings and information on the evolution of the situation and the measures put in place the Group.

The SQLI company (France) also completed, in April 2021, a Mood@sqli survey to analyse how employees felt in light of the health crisis. The results of this survey were presented to employees during feedback meetings organised by the agency.

This survey showed that 94% of employees responded that they felt that they had received a good level of information during the health crisis (agency measures, HR measures, etc.), 80% declared that they had a suitable work space for remote working and 88% feel that they belong to a supportive team.

➤ **PREVENTION OF PSYCHOSOCIAL RISKS:**

Actions to improve working conditions, the introduction of teleworking and the local monitoring carried out by the HR Team Leaders contribute to the prevention of psychosocial risks and the improvement of well-being at work. The SQLI company (France) regularly monitors psychosocial risks through the implementation of various measures (e.g. employees choose a "smiley face" from their monthly activity report representing their state of mind for the month. They also have the option, in the comment box of their report, to address the topics of their choice). The SQLI Group has also created a list of training sessions on the "One Genius" platform aimed at managers to raise awareness, particularly remote management and to identify psychosocial risks.

In addition, the SQLI UES (economic and social unit) has a Health, Safety and Working Conditions Committee (CSSCT), whose mission is to contribute to the protection of the physical and mental health and safety of workers as well as to improving working conditions and ensuring compliance with legislative and regulatory requirements in these areas.

➤ **OCCUPATIONAL HEALTH AND SAFETY TRAINING:**

In 2021, 79 employees completed occupational health/safety related training in France and 62 completed Serre file – Guide file training (training which teaches employees techniques and information relating to an evacuation due to fire). The aim of this training was to reinforce employees' knowledge and teach them good practices to implement relating to occupational health and safety. A "Flex@SQLI" module was also created via the "One Genius" platform to advise employees on health and safety relating to remote working (how to adapt their work space, remain in good physical and mental health when remote working, etc.).

➤ **CODE OF CONDUCT:**

Every employee has the right to respect for his or her fundamental rights, in particular those relating to the dignity of the human person and to protection against all forms of violence, harassment or discrimination. The Group is committed to ensuring that the professional environment is free from any harassment, and in particular from any intimidation, any sexual advances, threats and any acts of violence. These principles are expressly reiterated in the SQLI Code of Conduct, which came into force at the beginning of 2021 and was communicated to all Group employees and is referred to in each internal regulation of the Group's entities.



KEY INDICATORS:

- In 2021, there were 559 new hires within the SQLI Group, i.e. an increase of 27% compared to the previous year. These new hires included 183 women and 376 men, of which 92% were permanent (tables 38, 39 and 40).
- As in the previous year, in 2021, 15% of employees recruited by the SQLI entity (France) were hired via the co-optation system in place. This percentage is 14% for all new hires within the SQLI Group (table 41).

- In 2021, 98% of employees of the SQLI entity (France) completed a BAP, up 9 points compared to the previous year (table 42).
- Voluntary turnover for the SQLI entity (France) was 17.7% in 2021 (table 43).
- The absence rate for the SQLI entity was 3.5% in 2021, unchanged from the previous year (table 44).
- The accident severity and frequency rate was 0 for the SQLI entity (France), in 2021 (tables 45 and 46).
- In France, 70% of employees had a remote working system in place (outside lockdown periods). On average, within the Group, 77% of employees had benefited from remote working (table 47).



2022 AMBITIONS:

- Continued development of our employer brand (internal and external), in France and abroad;
- Consolidation of the France and International HR Department;
- Opening of a new agency in Casablanca to support the organic growth of the Moroccan teams;
- Implementation of an online sports platform to engage employees, to strengthen the team spirit, create competition, while taking care of their health;
- Implementation of a tool to measure employee engagement within the SQLI Group;
- Consolidation of the co-optation campaign;
- Integration of the SQLI UK LTD, STAR REPUBLIC and OSUDIO entities within the HR Cycle system;
- Implementation of a programme dedicated to developing manager leadership so that they can better support teams.

3.5.2. Skills development and transformation



DESCRIPTION OF THE ISSUE:

The SQLI Group has the responsibility and the desire to permanently support its employees and provide them with the skills essential to the digital transformation, enabling them to remain a pioneer in the adoption and integration of new technologies.

Thus, given the transformation of the Group's customers' businesses and the evolution in terms of digitisation, the training and adaptation of employees' skills to new jobs requires major attention.

An inability to train the Group's employees in the needs of customers and new jobs related to the digital revolution could make it impossible to serve the Group's strategy.

The SQLI Group must therefore be able to develop and align the skills of its employees in order to meet the challenges of its customers.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

As part of the policies and actions carried out in terms of skills development and transformation, the SQLI Group contributes to the following SDG: 4 (Quality education).

> TRAINING PLAN:

The SQLI Group provides employees with the time and resources necessary to consolidate their theoretical knowledge, through customised training plans, courses or genuine technical certifications. The training plan defined each year by all operational entities and the Human Resources Department and presented to the Social and Economic Committee enables managers and HR contacts to plan and monitor the training actions validated with employees during the annual or half-yearly interviews.

> TRAINING IN LINE WITH THE GROUP'S GUIDELINES:

The SQLI Group's investments in training are primarily in line with the Group's strategic orientations, enabling employees to adapt to the transformation of their customers' businesses and digital evolution. The SQLI Group attaches particular importance to the certification of its employees, a guarantee of recognition of its expertise both internally and with customers. Thus, in 2021, 263 certifications were obtained by the employees of the SQLI Group.

> PARTNERSHIPS WITH TRAINING PROFESSIONALS:

The SQLI Group has set up partnerships with external training organisations in order to offer its employees a wide and diversified offering corresponding to the Group's expectations and business lines. More specifically, in France, SQLI (France) collaborates with the company ASTON INSTITUT, the SQLI Group training organisation with a catalogue of more than 400 training courses. These training courses, potentially leading to certification, may be professional training, technical training, behavioural training or foreign language training.

> E-LEARNING FOR CUSTOMISED AND ON-DEMAND TRAINING:

The SQLI Group, in collaboration with Coopacademy, has created its One Genius e-learning platform. This e-learning platform includes training courses created by Coopacademy as well as training modules dedicated to SQLI, on specific topics (HR, project management, etc.). One Genius is a flexible, short and fun format that employees can follow anywhere and at any time. This is a new way of approaching training, in addition to more traditional training. This training platform, currently available to HR Team Leaders, managers, project managers and project directors, will be accessible to all Group employees in 2022.

> TRAINING OF LOCAL MANAGERS:

The SQLI Group launched a training programme for local managers (HR Team Leaders and managers) in order to strengthen their managerial skills in project management and employee supervision. This training is available as e-learning via the "One Genius" platform. During the lockdown periods following the health crisis, local managers completed specific training on remote management. In 2021, the SQLI Group specifically created a list of training sessions on the "One Genius" platform dedicated to remote management and the identification of psychosocial risks.

➤ INTERNAL TRAINING:

Internal training sessions are also regularly given to operational and sales managers. Thus, in 2021, the Group's Legal Department provided training to Group employees on the following topics: GDPR, the regulation of cookies in Europe (via podcast in English), the contractual purchasing policy, the essential points as part of a response to a call for tenders (via podcast in English) but also on the theme of compliance and the SQLI Code of Conduct (via podcasts in French and English).

In addition, in 2021, the SQLI Group created an internal training catalogue. This catalogue provides access to numerous training courses in accordance with SQLI working methods and its business lines while promoting the skills of employees. These training courses can be easily delivered remotely, allowing employees of different agencies to meet, discuss and share their knowledge on common business themes. 20 training actions have already been carried out via the internal training catalogue.

➤ CYBERSECURITY TRAINING:

Employees are regularly trained in cybersecurity issues. Thus, each month, they are invited by email to complete an online awareness course on an IT security theme: phishing, SPAM, ransomware, passwords, information protection, physical security, etc.



KEY INDICATORS:

- In 2021, SQLI Group employees completed a total of 68,657 hours of training, including 30,943 hours of e-learning training (table 48 p. 134, and table 49).
- The average number of training hours per employee in 2021 was 33.6 for the SQLI Group (table 50).
- 37% of employees of the SQLI entity (France) have been trained via e-learning (table 51).
- In 2021, 263 certifications were obtained by the employees of the SQLI Group (table 52).
- In 2021, the training completed by employees was mainly technical or certification training (table 53).



2022 AMBITIONS:

For 2022, the SQLI Group wishes to implement the following actions:

- Open up the One Genius platform to all Group employees;
- Enhance the catalogue of internal training courses;
- Implement a specific leadership development programme dedicated to managers (over 2 years);
- Step up the process of obtaining certifications;

- Set up training for internal trainers;
- Continue training on cybersecurity (e-learning course on an IT security theme to be carried out each month by employees);
- Train recruitment teams on the Group's sales arguments and projects/offers;
- Train recruitment teams in a more targeted search for candidate profiles.

3.5.3. Diversity and equal opportunity



DESCRIPTION OF THE ISSUE:

Convinced that diversity in the Company is a source of performance development, the SQLI Group has always paid great attention to carrying out its mission in compliance with the principles of non-discrimination, particularly in terms of hiring, promotion and professional training.

The SQLI Group is particularly vigilant to prevent any form of discrimination by promoting the professional integration of people with disabilities, professional equality between women and men and the professional integration of young people.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

As part of the policies and actions carried out in terms of diversity and equal opportunities, the SQLI Group contributes to the following SDGs: 5 (Gender equality) and 10 (Reduced inequalities).

➤ SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT:

The SQLI Group is a signatory of the United Nations Global Compact. As part of its membership, the SQLI Group supports the ten principles of the Global Compact, in particular the principles relating to human rights and international labour standards (respect for freedom of association and the right to collective bargaining, elimination of all forms of forced labour, effective abolition of child labour, elimination of all forms of discrimination in employment).

➤ TRAINING YOUNG PEOPLE IN COMPANY PROFESSIONS:

The SQLI Group participates in the training of young students in the Company's various business lines. In 2021, the SQLI Group welcomed 39 interns, 19 apprentices and 16 professional training contracts to its French agencies and 85 interns in Morocco. SQLI (France) is also involved in the training of young people through the development of partnerships with schools and participation in schools fairs and forums (e.g. Mines Saint-Étienne, ENSEEIHT Toulouse, Sup Info, Lyon 2, INSA Rennes). As a reward for its involvement with interns, SQLI was awarded the "Happy Trainees" label for the fourth consecutive year. This independent label rewards the excellence of internship reception, support and management practices. As part of the 2022 edition, nearly 100 students in internships or work-study programmes within SQLI's French and Moroccan agencies responded to the survey conducted by the "Happy Trainees" label. 95% of respondents in Morocco and 90% of respondents in France would recommend SQLI, a sign that interns and work-study students are very satisfied with their professional experience acquired within the SQLI teams. SQLI thus obtained a score of 4.13/5 for France and 4.45/5 for Morocco.

➤ **COMMUNICATION AND AWARENESS OF DISABILITY:**

As part of its partnership with TALENTEO (Monster), the SQLI entity (France) writes and shares interviews with its employees with disabilities on the TALENTEO website. In addition, job offers published by SQLI (France) on Monster are systematically redirected to the TALENTEO site, specialising in the recruitment of employees with disabilities.

In addition, as part of its actions to promote the professional integration of people with disabilities, SQLI (France) does not hesitate to use ESATs and EAs (institutions and services to help people with disabilities and adapted companies employing disabled people) in order to entrust them with the provision of services such as the purchase of office supplies, meal trays, buffets for meetings or events, orders of AFNOR standard masks, etc.

In addition, since 2019, the SQLI Group has been involved in the European Week for the Employment of People with Disabilities. Each year, a dedicated communication and awareness-raising plan is rolled out at Group level. It is also a week when the SQLI Group reiterates its policy of non-discrimination in hiring as well as all job offers to be filled. The objective of the SQLI Group is to enable employees to better understand the various disabilities as well as the possible adaptations of workstations in order to promote the integration of people with disabilities.

In 2021, as part of the European Week for the Employment of People with Disabilities, the SQLI Group launched a sports challenge for its employees, who must record, via the “United Heroes” application, all their sports activities carried out during the week of 15 to 21 November 2021. Each activity recorded by employees allowed them to collect points for the benefit of their home agency.

At the end of the operation, the SQLI Group donated a total of €12,000 to the associations* designated by the Group’s agencies that collected the most points (* associations helping people with disabilities return to employment).

In 2021, the SQLI entity (France) had 22 employees with disabilities.

➤ **GENDER EQUALITY:**

As part of its policy in favour of professional equality between women and men, the SQLI Group actively strives to increase the number of women in its workforce and undertakes to:

- Guarantee an equivalent entry-level salary for men and women, based solely on the level of training, experience and skills required for the position;
- Ensure equal pay for men and women for the same work or work of equal value during periodic salary reviews.

The HRBPs (Human Resources Business Partners) are responsible for following the guidelines defined in this context by the Group. The HR department checks compliance with its guidelines each year at the time of the Salary Review.

Since 2019, the professional equality index of the SQLI entity (France) has been steadily increasing. From an overall score of 81/100 in 2019, it rose to 87/100 in 2020 to reach a score of 94/100 in 2021 and 2022.

➤ **CODE OF CONDUCT:**

The SQLI Group promotes diversity and undertakes not to practice any discrimination and to respect all legislative provisions that combat discrimination. It seeks to offer equal opportunities and fair treatment, regardless of social, cultural, ethnic or national origins, religious or other convictions, caste, marital status, possible state of pregnancy, sexual orientation, gender, disability, age and trade union membership. These principles are expressly reiterated in the SQLI Code of Conduct, which came into force at the beginning of 2021 and communicated to all Group employees and referred to in each of the Group's entities' internal regulations.

➤ **SOLIDARITY ACTIONS:**

As in the previous year, SQLI (France) wanted to set up a new philanthropic action in 2021 involving the solidarity of its employees. Thus, for the 28th edition of Octobre rose (Pink October), SQLI (France) mobilised and offered its employees a charitable challenge. The challenge consisted of each employee taking a selfie with a pink accessory and posting it on Yammer Octobre Rose. For each selfie published, SQLI (France) donated €10 to Institut Curie. The participation of employees and SQLI (France) raised the sum of €1,500 for Institut Curie.



KEY INDICATORS:

- In 2021, 656 women and 1,353 men made up the SQLI Group (table 54).
- In 2021, 63% of the Group's employees were between 25 and 40 years old and 34% had between 2 and 5 years of service (tables 55 and 56, and tables 58 and 59).
- In 2021, the employment rate of older people (45 years and over) within the Group was 16% of the total workforce (table 57).
- In 2021, 75% of SQLI Group's employees were managers (table 60).
- In 2021, 42% of women held management positions (excluding the Board of Directors) within the SQLI entity (France) and women accounted for 37.5% of the Board of Directors of the SQLI entity (France) (tables 61 and 62).
- 97% of SQLI Group employees have a permanent employment contract and 4% are part-time (table 63 p. 138 and table 64).
- In 2021, the SQLI entity (France) had 22 employees with disabilities, which represents an employment rate of 2.11% (tables 65 and 66).
- In 2021, SQLI Group had 146 interns and 64 work-study students (apprentices/professional training contracts) (tables 67 and 68).



2022 AMBITIONS:

For 2022, the SQLI Group aims to implement the following actions:

- Continue our actions in favour of equal opportunities;
- Renew participation in European Disability Employment Week (EDEW);

- Develop purchases from protected and adapted sectors;
- Establish partnerships with associations to promote the direct employment of people with disabilities;
- Implement specific actions around Women's Rights Day;
- Maintain a percentage of women on the SQLI Board of Directors (France) in accordance with legal provisions.

3.6. Ethics and governance issues:

3.6.1. Ethics and compliance



DESCRIPTION OF THE ISSUE:

Transparency and ethics are key values of the SQLI Group. In the event of a breach by one of its employees, corporate officers or suppliers, the Group could be exposed to legal risks (criminal or administrative sanctions, liability).

The Group's reputation or image could also be damaged in the event of such an incident.

It is therefore fundamental for the SQLI Group to ensure that all of its practices comply with the main ethical principles, particularly with regard to the fight against corruption, human rights and the protection of the environment. As SQLI is an international group, it must have strong governance and solid ethical principles.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

As part of its ethics and governance policies and actions, the SQLI Group contributes to the following SDGs: 4 (Quality education), 8 (Decent work and economic growth) and 16 (Peace, justice and strong institutions).

➤ SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT:

The SQLI Group is a signatory of the United Nations Global Compact. As part of its membership, the SQLI Group supports the ten principles of the Global Compact, in particular the principle relating to the fight against corruption.

➤ RISK MAPPING:

During 2020, the SQLI Group carried out a mapping of risks related to corruption. The mapping was presented and validated by the Audit and Risk Committee and the Board of Directors in September 2020.

➤ THE GROUP LEGAL DEPARTMENT, A PLAYER IN THE GROUP'S COMPLIANCE:

The Group's Legal Department is responsible for deploying and ensuring compliance with the Group's major ethical principles, as set out in the Code of Conduct that came into force in 2021.

➤ **CODE OF CONDUCT:**

The SQLI Group invites each of its employees, corporate officers and all of its business partners to take action against corruption in all its forms, including extortion and bribery. In order to protect itself against any risk of corruption, the SQLI Group has adopted a Code of Conduct. This code contains a set of measures relating in particular to the prevention of corruption, insider trading and conflicts of interest. The SQLI Code of Conduct validated by the Board of Directors and the Group Audit Committee, after consultation and a favourable opinion from the employee representative bodies, entered into force in France in early 2021. This code is appended to the internal rules of all Group entities and published on its corporate website (www.sqli.com). A communication was sent to employees to inform them of the entry into force of the Code of Conduct.

➤ **ETHICS COMMITTEE:**

In early 2021, the SQLI Group set up an Ethics Committee, responsible for ensuring compliance with the requirements of the SQLI Code of Conduct and monitoring the exemplary nature of employees. The Ethics Committee is also the contact person for employees for any questions relating to the interpretation of the provisions of the Code of Conduct or related to its application but also to report any behaviour that would be contrary to the rules laid down by the Code.

Employees can send their questions, requests or reports to the Ethics Committee via the e-mail address ethics@sqli.com.

The Ethics Committee is composed of three permanent members: the Chief Executive Officer (who may be replaced by the Deputy Chief Executive Officer in charge of Finance), the Director of Human Resources, and the Group General Counsel. In the event of a conflict of interest with one of these members, an alternate may be appointed by a majority of the three permanent members of the Committee. The Committee's operations are governed by internal rules published on the Group's corporate website.

➤ **GIFT AND INVITATION POLICY:**

At the end of 2020, SQLI (France) drafted and implemented a practical guide on gifts and invitations for its employees. The purpose of this guide is to make employees aware of the risks of corruption and influence peddling related to gifts and invitations and to advise them on best practices to adopt in their professional relationships. SQLI (France) has also revised its "expense report" procedure in order to include a section relating to the rules to be respected in terms of gifts.

➤ **SQLI CONTRACT MODELS:**

The SQLI Group's contract templates include a clause relating to ethics, sustainable development and the fight against corruption and refer to the SQLI Code of Conduct.

As part of its customer contract models, SQLI and its customer thus certify that they have not committed an act of corruption and undertake to implement the necessary means to prevent any act or behaviour of this nature.

As part of its subcontracting contracts, the SQLI Group requires its subcontractors to comply with the laws and regulations applicable to the fight against fraud and corruption as well as the SQLI Code of Conduct and to take all reasonable measures to prevent any act of this nature. The SQLI Group reserves the right to carry out audits of its subcontractors, it being specified that any breach by the subcontractor authorises SQLI to immediately terminate the contractual relationship.

➤ CHANGE IN THE PURCHASING POLICY:

In December 2021, SQLI (France) rolled out a new Purchasing policy in France. As part of this policy, SQLI (France) now systematically requires its new suppliers, prior to any collaboration, to comply with and sign its Code of Conduct, its GDPR conditions, a confidentiality agreement as well as complete a CSR questionnaire (including social, environmental, ethics and business aspects) via its purchasing platform. The process will also be applicable to suppliers who signed a contract with the SQLI entity (France) before December 2021, i.e. before the implementation of the process. In 2022, the suppliers concerned will then receive a request for regularisation, via the purchasing platform, for the purpose of signing all of the aforementioned documents.

In addition, as part of its duty of care obligation, SQLI (France) verifies that each supplier communicates to it, prior to any commercial relationship and then at the required deadlines, all the mandatory legal documents (k-bis extract, URSSAF certificate, list of foreign employees) via its "Provigis" platform. The supplier thus obtains the "Certified Supplier" label.

➤ COMPLIANCE TRAINING:

Two training sessions were carried out by the Group Legal Department in 2021 on the theme of compliance: "All players in the fight against corruption" and "The Code of Conduct: everyone's responsibility, everyone's commitment". The first training course ("All players in the fight against corruption") was intended for the people most exposed to the risk of corruption (agency managers, sales managers, human resources managers, purchasing managers and Head of General Services) in order to raise their awareness of compliance issues and enable them to better understand the specific risks related to corruption. The purpose of the second training was to present to employees the Code of Conduct, the Ethics Committee and the whistleblowing procedure put in place. These training courses were initially provided in France and then rolled out within the Group's entities. These training courses are also made available to all employees on the Group Legal Department's intranet (podcast). A Compliance tab has also been created on the Group Legal Department's intranet site in order to provide all Group employees with the best possible support on a daily basis. Finally, throughout 2021, a series of fun videos on the theme of compliance ("One day corruption, always anti-corruption") was distributed to employees in France in order to raise their awareness of the risks of corruption (gifts and invitations, Code of Conduct, assessment of third parties, whistleblowers, risk mapping, conflicts of interest). These videos are also available in replay on Legal SharePoint.

➤ INSIDER TRADING PREVENTION:

In early 2020, the SQLI Group implemented an insider trading prevention policy. In this context, the SQLI Group informed each recipient of insider information of its inclusion on the list of insiders (permanent and occasional), made available to the AMF. The schedule of blackout periods attached to the said letter was updated in December 2021, communicated to all insiders and published on the Group's institutional website in the investors section (www.sqli.com).

➤ REVIEW OF THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS:

The rules of procedure of the Board of Directors of SQLI (France) were reviewed and adopted by the Board of Directors during the month of May 2020. The purpose of the amendments made to the rules of procedure is to comply with the recommendations of the MIDDLENEXT Code and to remind the directors of their obligations in particular in terms of loyalty, non-competition, disclosure, possession of inside information and due diligence. The internal rules of the Board of Directors have been published on the Group's corporate website in the Investors section (www.sqli.com).

➤ DELEGATIONS OF POWERS AND RESPONSIBILITIES:

All delegations of powers and responsibilities now contain a specific clause on the prevention of corruption and money laundering. Under the terms of this clause, each delegate undertakes to ensure compliance with the applicable law and best practices in the fight against corruption and money laundering, and in doing so to ensure compliance with the SQLI Code of Conduct.

➤ CORPORATE GOVERNANCE:

In 2021, the Board of Directors of SQLI (France) is composed of eight members, three of whom are women and one director representing employees. In doing so, it complies with the legal and regulatory provisions on gender parity. The Board of Directors met nine times in 2021.



KEY INDICATORS:

- No act of corruption has been identified or brought to the attention of the Group since its creation (table 71).
- More than 90% of French employees have read the SQLI Code of Conduct (table 72).
- To date, no incident has been reported via the alert procedure put in place (table 73).
- In 2021, SQLI (France) recorded an attendance rate of 100% at the meetings of the Board of Directors (table 74).



2022 AMBITIONS:

As part of its fight against corruption, the SQLI Group intends to:

- Implement compliance audits of the Group's subsidiaries;
- Set up a CSR Committee in accordance with the MIDDLENEXT recommendations;
- Continue the process of systematically signing the SQLI Code of Conduct with SQLI suppliers (France) (including all current suppliers and new suppliers in 2022) and implement this process with new suppliers of SQLI MAROC;

- Update the gifts and invitations policy to specify the maximum authorised thresholds;
- Train employees on the gifts and invitations policy (France scope);
- As for corporate governance, SQLI (France) is committed to maintaining the attendance of its members at Board meetings.

3.6.2. Security including cybersecurity and data protection



DESCRIPTION OF THE ISSUE:

A cyberattack on the Group's systems, a security breach in the Group's systems and/or in our customers' systems may result in the loss of information, and depending on the subject matter, the loss of confidential information, particularly in certain sensitive, payment and/or payroll activities. Such situations may give rise to the risk of damages and/or penalties. Given the Group's business, a major security failure could potentially result in a risk to the Group's image and a challenge to our customers' trust.

Given its activities, the Group is subject to various international and national regulations relating to the protection of personal data. In the event of voluntary or involuntary disclosure of all or part of the personal data belonging to a customer or a third party, the Group could be held liable. Even if the required means are implemented to limit any negative impact, non-compliance with current regulations or errors in interpretation may expose the Group to a performance, financial and/or reputation risk.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

The various operational security policies and actions cover the following SDGs: 16 (Peace, justice and strong institutions) and 4 (Quality education).

➤ DEPARTMENT OF INFORMATION SYSTEMS SECURITY (DISS):

Security and customer data protection issues are major issues for the SQLI Group. In order to avoid any security breach, or in the event of an incident, to immediately implement the necessary actions, the SQLI Group has a DISS. The DISS has a role in supporting the security of the Group and its projects (including in the context of the implementation of security measures in line with the regulations on personal data), awareness-raising, advice, and monitoring of the implementation of standards and action plans in this area and the management of security incidents.

As part of its various missions, the DISS implements the following actions: control of the company's Internet access, control of WIFI access, data backup and restoration, implementation of secure tools to deal with the IT attacks (secure messaging, secure printing, intrusion prevention probes, implementation of vulnerability scans (in France, Switzerland, deployment in progress in Morocco) etc.), managing security incidents, raising employee awareness of IT security, keeping IT equipment up to date, deployment of an IDS/IPS (intrusion detection and prevention system) on the SQLI (France) information system, implementation of a secure password manager for sensitive projects, client cybersecurity audits, managing and carrying out internal security/compliance audits. In 2021, security and compliance audits as well as risk analyses were carried out by the DSSI in the following agencies: the ISC Maroc (Rabat) and the Pessac establishment and the associated remediation plans were implemented (ISO 27001/2/5).

➤ **SECURITY CORRESPONDENTS:**

A security correspondent is now present in some of the Group's agencies (Nantes, Bordeaux, Levallois-Perret, Toulouse and Morocco). The security correspondent is a local point of contact for security. His/her duties include responding to security incidents and raising the awareness of new employees about IT security during their induction seminar. The security correspondent also participates in responses to calls for tenders from customers on the security part, in conjunction with the business teams.

➤ **INFORMATION SYSTEMS SECURITY COMMITTEE (ISSC):**

In 2021, the SQLI Group created a ISSC (Information Systems Security Committee). This Committee facilitates coordination and cooperation to ensure the security of the Group's information systems. The main objectives of this committee are to communicate and ensure the application of the GISSP (general information systems security policy), participate in preparing security directives and rules, consider SSI events and exceptions, discuss subjects that impact information security, monitor and verify the management of security integrated in projects, monitor the ISMS (information security management system) action plan, present the security indicators, security incidents and associated experience feedback.

The ISSC committee comprises the DIS, the Group CSI, a local IT representative and the local technical director. This committee meets monthly.

➤ **ISO 27001 CERTIFICATION:**



As part of the Group's development strategy, General Management, the DIS (Director of Information Security) and the Cybersecurity Management have taken action to obtain ISO 27001 certification since January 2021. The SQLI Pessac and Levallois-Perret establishments as well as the Group's leading establishments were certified to ISO 27001 for 2021-2022. This certification, issued by AFNOR Certification, officially recognises the commitment and the actions put in place by SQLI (France) relating to Cybersecurity for its production and support activities (Levallois-Perret and Bordeaux scope).

By obtaining the ISO 27001 certification, SQLI (France) has been officially identified as a trusted partner for the management of customer data. Maximum guarantee, the certification attests the confidentiality and traceability of the elements entrusted, as well as the implementation of the means necessary to protect against any possible cyberattacks.

In accordance with the process for ISO 27001 certification, SQLI (France) is currently rolling out a new standard for securing desktops. The objectives of this new standard are to respond to customers' demands in terms of data protection, protect the information assets by reducing the attack surface and sustaining the information network by standardising the configuration of all work stations. Within the context of this new security pack, the following measures are in the process of implementation: deletion of administrator rights for non-technical profiles, secure VPN, session locking after 5 minutes of inactivity, encryption of work stations, BIOS passwords, etc. This new standard will be rolled out gradually throughout 2022.

➤ **Security policies:**

As part of the ISO 27001 certification, two new security policies were implemented in 2021 within the SQLI Group:

- A policy of regulatory compliance: this policy aims to describe the management process for the Group's regulatory compliance in terms of personal data, contractual policy, information security and intellectual property;
- A general policy of information system security (GPISS): this policy constitutes the point of reference and coherence in relation to the security of the SQLI Group's information systems.

The DISS also reminded employees, in 2021, of all of the security policies and processes in force within the Group with a view to their respect and proper application.

➤ **AWARENESS OF CYBERSECURITY ISSUES:**

As part of its awareness-raising actions, the DISS set up an "E-learning" awareness-raising platform in 2019 with the aim of reminding employees of best practices in IT security. Therefore, each month, employees are invited by e-mail to complete awareness training on the following subjects: phishing, SPAM, ransomwares, passwords, information protection, physical security, etc. The tool in place was developed further in 2020 with the addition of a new functionality and it now includes automated reporting for managers, allowing managers to monitor employees' participation and relaunch a module if an e-learning unit has not been completed.

➤ **SECURITY INSURANCE PLAN:**

SQLI's (France) critical suppliers and subcontractors (which have an impact on SQLI's information system) must also comply with the requirements of SQLI's SAP (Security Assurance Plan). Each SAP completed and communicated by the critical supplier/subcontractor is also subject to, prior to any collaboration, validation by one of SQLI's DISS based on the SQLI SAP. If the supplier/subcontractor cannot provide sufficient guarantee of the security terms, they cannot be listed with the SQLI Group.

➤ **CHARTER FOR THE USE OF IT RESOURCES:**

In order to ensure the security of its information system, in 2018, in its French agencies, SQLI implemented a charter governing the use of IT resources that strictly governs the use of IT resources and means of communication made available, in particular to employees, corporate officers and service providers. The SQLI (France) subcontracting contract templates now include a clause requiring subcontractors to comply with the Charter for the use of IT resources, it being specified that any violation of the Charter authorises SQLI to proceed with immediate termination of the contractual relationship. This Charter was also rolled out in Switzerland and Spain.

> **GDPR OFFICER:**

In 2020, SQLI hired a lawyer in charge of issues and challenges related to the GDPR and reporting to the Group Legal Department. As part of his/her duties, this point of contact analyses and negotiates the GDPR conditions of the Group's customers, leads the Group's GDPR committees, prepares documentation related to the GDPR, trains operational staff and supports the Group's various subsidiaries in the deployment of the GDPR.

> **GDPR POLICIES:**

The GDPR policy of the SQLI Group has been updated by the GDPR Officer and the DSSI Director (in French and English). This policy for the Group's customers recalls the legal framework in place within the framework of the GDPR as well as the security and operational measures implemented in the event of processing of personal data. An internal GDPR policy has also been drafted by the GDPR Officer to remind operational staff of the contractual process applicable to the processing of personal data. These policies were presented by the GDPR Officer during the GDPR Committee in January 2021 and are available on the intranet of the Group's Legal Department (Legal SharePoint).

> **GDPR COMMITTEE:**

In 2018, the SQLI Group set up a GDPR committee to verify compliance by the Group's various agencies (in France and abroad), both in their relations with their employees and in their relations with their customers and suppliers, of the applicable European Union rules on personal data and to share best practices in this area. The committee, made up of the Group's support services and all delivery managers, meets on a regular basis, i.e. once every two months. The Committee has been led by the Group's GDPR Officer since 2020. Podcasts of these meetings are available to all employees via Legal SharePoint.

> **GDPR TRAINING:**

In 2021, the GDPR Officer conducted several training sessions (in French and English) for all Group employees to remind them of the applicable GDPR regulations and obligations ("Q&A - Protection of Personal Data"; "GDPR & Brexit"; "Q&A - Access to personal data in Morocco"; "Filling out the processing register"). These training sessions are available for all employees via Legal SharePoint. New training on the topic of personal data will be provided by the GDPR Officer in 2022.

> **GDPR AUDITS:**

Audits are regularly carried out at the Group's various French and foreign agencies to ensure the proper application of the GDPR regulations and personalise the support that needs to be put in place in relation to GDPR within these entities.

> **GDPR CONDITIONS APPLICABLE IN RELATIONS WITH CUSTOMERS AND SUPPLIERS:**

SQLI has defined GDPR conditions both in the context of relations with its customers and relations with its suppliers. In the event of processing of personal data, SQLI systematically imposes its GDPR conditions on its subcontractors and suppliers in order to ensure that they comply fully with the applicable regulations on personal data.

In the context of relations with its customers, the Group's GDPR Officer validates all the GDPR conditions applicable to the contractual relationship, and in doing so ensures, if the customer wishes to impose its own GDPR conditions, that the clauses of the SQLI GDPR conditions are included.

➤ **DEPLOYMENT OF NEW GDPR DOCUMENTS:**

In 2021, the GDPR Officer rolled out new templates of GDPR documents (in French and English) for employees (e.g. attestation of the destruction of personal data, attestation of non-communication of personal data, redesign of the processing register). All of these documents are available for all employees via Legal SharePoint.

➤ **MEMBERSHIP OF THE AFCDP AGORA:**

In 2021, SQLI (France) joined the AFCDP Agora (French Association of Personal Data protection Correspondents). This association brings together all persons interested in protecting personal data. The AFCDP aims in particular to promote and develop discussions on the status of the DPOs, favour collaboration with companies and public powers in all of the questions posed by the position and duties of the DPO, ensure monitoring of the challenges relating to the position and duties of the DPO, etc. The AFCDP offers its members conferences, seminars, publications, the preparation and distribution of documents, analysis, notes, the organisation of discussion committees, working groups.

➤ **CYBERSECURITY INSURANCE:**

The SQLI Group has taken out liability insurance on its own behalf and that of its subsidiaries for the risks of cybersecurity which aims to cover all claims related to an IT breach or breach of personal data confidentiality. Under this insurance policy, a team is made available to SQLI 24 hours a day, seven days a week in the event of cybersecurity-related incidents.



KEY INDICATORS:

- The SQLI Group has not reported any claim for breach of customer privacy and loss of customer data resulting in legal proceedings (table 75).



2022 AMBITIONS:

For 2022, the SQLI Group aims to implement the following actions:

- Maintain ISO 27001 certification within the SQLI Pessac and Levallois-Perret establishments,
- Integration, within 2 years, of ISC Maroc within the scope of the ISO 27001 certification,
- Management and implementation of compliance/security audits, risk analyses and implementation of the associated remediation plans (ISO 27001/2/5) of the ISC Morocco (Rabat & Oujda) and ISC Bordeaux sites,
- Deployment of a Group-wide secure password manager,

- Roll out of a workstation security pack (encryption of workstations, review of the access rights matrix on the IS, updating of workstation tightening, etc.),
- Implementation of a cyber crisis management plan (associated crisis management exercise programme),
- Deployment of the IT Resources Charter within SQLI Maroc,
- Performance of intrusion tests on the Group's information system, the information system of the SQLI Pessac establishments and the Pessac physical site,
- Implementation of an internal IS project management process including the GDPR reference, the DISS and the infrastructure responsible,
- Audit of sensitive suppliers and subcontractors,
- Implementation of new GDPR information,
- Continued support for different Group agencies in relation to GDPR,
- Obtaining, within 2 to 3 years, certification of GDPR compliance with the Europrivacy body, based on ISO 27001 certification.

3.6.3. Customer satisfaction



DESCRIPTION OF THE ISSUE:

Customer satisfaction is a key concern for the SQLI Group.

Failure to match the Group's service offering with the requirements of its customers, or new customers in the event of external growth, would constitute a risk of losing part of its customer base which would in turn result in a loss of revenue.

As part of the Group's activity is carried out on a fixed-price basis, this type of commitment also involves a share of risk (obligation of result to the customer).

The dissatisfaction of a customer in the event of a breach by the Group, or a company acquired as part of an external growth programme, with its contractual obligations, may give rise to possible legal action for compensation for the damage suffered.

Customer dissatisfaction can also result in a risk to the Group's image and can call into question customers' trust.

It is therefore essential for the SQLI Group to ensure that its service offering meets the expectations of its customers and contributes to creating value.

In the event of a health crisis such as the Covid-19 pandemic, it is essential for the Group to be adaptable and efficient in order to ensure the continuity of services and the respect of contractual commitments to customers, while preserving the protection and safety of employees.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

➤ END-TO-END APPROACH:

Dedicated to the digital experience and omnichannel commerce, the SQLI Group is the regular partner of major European brands. In order to best serve the needs of its customers and support them most effectively in the design and implementation of digital projects aimed at developing their sales and reputation, as well as their internal efficiency, the SQLI Group adopts an end-to-end approach, which consists of defining, designing, building, maintaining and promoting customers' projects. SQLI joined the top 15* agencies dedicated to the digital experience in Europe (* medium-sized agencies; Source: Forrester).

➤ SATISFACTION SURVEYS:

In order to measure the satisfaction of its customers and thus be part of a continuous improvement approach, the SQLI Group introduced, from 2018, the performance of annual satisfaction surveys, enabling the definition and implementation of targeted actions. As part of its 2021 satisfaction survey, the SQLI Group solicited 833 of its customers in France, Switzerland and Belgium. 235 of them responded to the survey.

➤ MANAGEMENT OF THE COVID-19 CRISIS:

In order to allow the continuation of its activity, while preserving the health and safety of employees, the SQLI Group developed and implemented, from the start of the health crisis, a business continuity plan (BCP) and informed each of its customers of the organisation and procedures implemented to ensure the continuity of services. In 2021, in response to the various waves of Covid-19 epidemics, the SQLI Group continued to implement the measures introduced in 2020 so that the health crisis had no impact on the smooth running of customer projects.

➤ TRAINING OF SALES REPRESENTATIVES IN SQLI OFFERS:

In order to improve the presentation of offers to customers and prospects, SQLI (France) regularly organises webinars for its sales representatives. In 2021, sales representatives were able to attend 21 webinars on SQLI offers and know-how. In parallel with these webinars, SQLI (France) also organised a "Pitch Battle" in 2021 consisting of each sales representative presenting a client project in 5 minutes to an audience made up of sales representatives and a jury (composed of agency managers and members of management). The objective of this exercise was to train the sales representatives in the presentation of SQLI projects and offers.



INDICATOR:

- In 2021, SQLI obtained an NPS of 37. This score exceeds the average NPS in the "IT services" sector, which stands at 33 (*Source: CustomerGauge's 2018 NPS® & CX Benchmarks Report*). 89.3% of customers who responded to the satisfaction survey give the SQLI entities (France, Switzerland and Belgium) a score between 7 and 10/10 compared to 87.6% in 2020, an increase of 1.7 points (table 76).



2022 AMBITIONS:

- The SQLI Group plans to continue the actions undertaken to ensure the highest possible level of satisfaction for its customers and fully meet their business/profession challenges. As such, the SQLI Group is focusing its efforts in particular on its flagship offers around the Experience (e-Commerce, Experience Platform and Digital Workplace).
- In 2022, SQLI (France) also wants to continue training its sales forces in offers and customer communication by organising webinars and pitch challenges.

3.7. Environmental issues:

3.7.1. Environmental impact



DESCRIPTION OF THE ISSUE:

The risks of harm to the environment caused by the Group's activities remain limited in the context of the activity of a company in the Digital Sector, i.e. in the context of dematerialised activities. Nevertheless, the SQLI Group has identified the following risks: greenhouse gas emissions related to employee travel as part of their work, electricity consumption within the Group.

In addition, as the majority of the Group's entities are located in Europe, European environmental directives apply, particularly concerning emissions reduction, waste management and the energy efficiency of buildings. Compliance with the various regulations is therefore an important point, as any non-compliance could impact the image of the SQLI Group.



EXISTING POLICIES AND ACTIONS CARRIED OUT DURING THE YEAR:

Through its environmental policies and actions, the SQLI Group covers the following SDGs: 9 (Industry, innovation and infrastructure), 12 (Responsible consumption and production), 13 (climate action) and 17 (Partnerships for the goals).

➤ SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT:

The SQLI Group is a signatory of the United Nations Global Compact. As part of its membership, the SQLI Group supports the ten principles of the Global Compact, in particular the principles relating to environmental protection.

➤ GOOD PRACTICES:

To date, the SQLI Group has not carried out a carbon assessment to prioritise its various sources of greenhouse gas emissions, but has implemented all the one-off measures it deems necessary to limit its consumption of energy and raw materials.

These include measures to limit the printing of documents, reduce energy consumption and waste (e.g. automatic switching off of lights in the evening, installation of lights with motion sensors in certain Group premises, installation of time lights in certain Group premises, implementation of a system for electronic signature of contracts to limit paper consumption, distribution of mugs to employees to replace cups) or business travel (priority recourse to procedures such as videoconferences). In addition, during the redevelopment of premises, the SQLI Group does not hesitate to distribute its old furniture, which it no longer uses, to its other agencies. Lastly, the SQLI Group favours buildings located in the heart of the city to encourage its employees to use public transport when travelling and commuting.

➤ **WASTE MANAGEMENT:**

The Group also encourages employees to sort their waste. Thus, in 2019, SQLI (France) entered into a partnership with GreenOffice, which specialises in waste management, to set up a selective sorting system at the Levallois-Perret premises.

This waste management system has been in effect since December 2019. From this date, the individual employee baskets were replaced on each floor by collective sorting bins. As part of its environmental approach, SQLI (France) donated 90 individual baskets to the Collège Louis Blériot in Levallois-Perret, which it no longer needed. A selective sorting system has also been set up at the Bordeaux branch.

➤ **TRAINING OF BUYERS ON CSR ISSUES:**

In 2021, buyers of the SQLI entity (France) attended a training course aimed at raising their awareness of responsible purchasing and CSR challenges.

➤ **RESPONSIBLE PURCHASING:**

As part of its CSR approach, the SQLI Group favours responsible purchasing:

- In 2021, 75% of the Group's companies sourced eco-responsible paper (paper produced using sustainable and environmentally-friendly methods and criteria).
- In 2021, SQLI (France) decided to use a new supplier ("Juste à Temps") for the fruit baskets that it makes available to its employees. The fruits offered are now organic and seasonal in order to respect the health of employees and the environment, but also from short supply chains to support local producers and offer them fair remuneration.
- SQLI (France) also provided its employees with a new coffee machine at the Levallois-Perret premises. The coffee beans come from the organic sector and the coffee grounds are then recovered and recycled to be used as compost and enrich the soil of fields, parks and gardens.

➤ **CSR ASSESSMENT OF SUPPLIERS:**

Since December 2021, new suppliers of the SQLI entity (France) have been subject, prior to any collaboration, to a CSR assessment via a questionnaire to be completed on the SQLI purchasing platform (France).

Suppliers are assessed on various aspects (social, environmental, ethics and business) and obtain a score at the end of the questionnaire enabling SQLI (France) to assess their CSR performance. If the supplier does not validate the entire questionnaire, the purchasing process cannot be continued. The process will also be applicable to suppliers who signed a contract with the SQLI entity (France) before December 2021. In 2022, the suppliers concerned will then receive a regularisation request via the purchasing platform.

➤ **VIRTUALISATION OF SERVERS, RECYCLING OF COMPUTER EQUIPMENT AND PRINTING CARTRIDGES:**

In order to limit its environmental impact, SQLI (France) virtualises its servers and occasionally uses brokers to recycle its IT equipment. SQLI (France) also recycles its print cartridges via the CONIBI company, which specialises in the collection and recycling of print cartridges.

➤ **NEW PREMISES POLICY:**

The SQLI Group's policy in terms of new premises consists of favouring the rental of HQE (High Environmental Quality certification) or similar certified buildings in order to reduce its consumption, its environmental impact and improve the health and comfort of its employees. Thus, in accordance with its policy on new premises, the head office of SQLI (France) located in Levallois-Perret is HQE certified and its Bordeaux and Nantes agencies moved respectively in 2018 and 2019 into BREEAM certified premises. Similarly, in 2021, ASTON INSTITUT employees moved into new "BREEAM - Very Good" certified premises. These new premises, located in Lille, also have the following labels: "Biodiversity", "Energie Bas Carbone" and "NF Habitat".

➤ **CAR PARK POLICY:**

In the course of 2021, SQLI (France) implemented a new policy for its car fleet. This policy consists of favouring hybrid or electric vehicles when renewing the vehicle fleet, in order to reduce CO₂ emissions. To date, the car fleet of the SQLI entity (France) comprises 102 vehicles, including 11 hybrid vehicles, with hybrid vehicles representing nearly 11% of the company's car fleet.

➤ **STAKEHOLDER AWARENESS:**

The SQLI Group raises its employees' awareness of environmental issues, and in particular the impacts of digital pollution. Thus, since 2020, the SQLI Group has participated in Cyber World CleanUp Day. Each year, for a week, employees are challenged to implement best practices and remove their unnecessary data. In 2021, the objective was to exceed a terabyte of clean data, a target largely exceeded only with the individual initiatives of employees and doubled when the general initiatives on the tools are taken into account. In addition, during Cyber World Clean Up Day, the SQLI Group organises awareness-raising sessions via Teams to all Group employees in order to provide them with the necessary keys to effectively clean their data and adopt the right habits.

The SQLI Group also publishes articles in the press or organises online workshops to raise awareness among stakeholders of environmental issues in the digital field.

➤ ACTIONS CARRIED OUT IN FAVOUR OF BIODIVERSITY:

Aware of the importance of biodiversity, the SQLI Group carried out several actions in 2021 to maintain biodiversity:



In 2021, SQLI (France) decided to partner with “Un toit pour les Abeilles” by sponsoring two beehives in France: one in the Paris region near its head office and the other in the Toulouse region, close to one of the Group’s agencies. By sponsoring 80,000 bees, SQLI (France) is helping to protect bees and the development of colonies, which are also in danger.



The SQLI Group, which has several agencies in Morocco, has chosen to support “Reforest’Action” by participating in the reforestation of a forest in Morocco. More than acting on CO₂ storage, the action supported by the SQLI Group is part of a broader and social context of agroforestry. The 300 trees planted by the SQLI Group are part of a larger agroforestry project (which now has more than 30,000 trees) in multiple rural villages in Morocco, and provides local communities with assistance in terms of self-sufficiency, economic development but also food security.



In 2021, SQLI (France) also made a donation to “The Seacleaners”, a general interest association for the preservation of the oceans. Created in 2016, “The Seacleaners” carries out various actions to reduce marine plastic pollution (awareness-raising, prevention, dissemination of scientific knowledge, transition to the circular economy, waste cleaning on land and at sea). SQLI (France) thus wished to provide financial support to the association in carrying out its various missions.



➤ DIGITAL SOBRIETY OFFERING:

SQLI (France) has developed a new “Digital sobriety” offering to help companies understand the impact of digital technology on the environment and encourage discussions on key solutions aimed at achieving more sustainable practices in the digital field. This “Digital sobriety” offering includes the following components:

- Awareness: collaborative workshops, conferences,
- Digital sobriety audit: assessment of the environmental impact of a company on its digital activities and determination of actions to reduce its footprint,
- Sustainable digital strategy: support for companies in their CSR strategy and establishment of a digital roadmap to achieve the sustainable objectives set,
- Circular Design Thinking: support for companies in the design of new products, services and models taking into account the principles of the circular economy,
- Sustainable digital design and lifecycle management: assisting companies to integrate sustainable and responsible practices into their digital activities.

**KEY INDICATORS:**

- 100% of buyers in the SQLI entity (France) received training on responsible purchasing (table 77).
- In 2021, the Group's electricity consumption amounted to 1,803.885 MWh, which represents an average consumption per employee of 900 kWh/year (table 78 and table 79).
- CO₂ emissions related to business travel by French employees decreased by 32% in 2021. This decrease is due to the limitation of business travel due to the health crisis (table 80).
- In 2021, the Group's paper consumption amounted to 543.5 kg, a decrease of 42% compared to the previous year (table 81).
- 75% of SQLI Group companies that purchased paper in 2021 opted for the purchase of eco-responsible paper (table 82).
- In 2021, the Group's average paper consumption per employee was 0.27 kg/year (table 83).

**2022 AMBITIONS:**

- Continuation of best environmental practices implemented within the Group to limit energy and paper consumption;
- Implementation of selective sorting in all French SQLI agencies;
- Replacement of the water fountains currently on the SQLI (France) premises by less energy-consuming and therefore more environmentally-friendly fountains;
- Elimination of plastic cups on premises;
- Replacement of photocopiers currently used by SQLI employees (France) by more environmentally-friendly ones;
- Implementation of a Group responsible purchasing policy;
- Continuation of the systematic evaluation process of SQLI (France) suppliers (all current suppliers and new suppliers in 2022) and implementation of this process within SQLI MAROC (new suppliers in 2022), including a questionnaire on CSR;
- Reinforcement, by 2022-2024, of hybrid or electric vehicles in the SQLI (France) fleet;
- Completion of a carbon assessment;



Deployment of a digital sobriety action plan incorporating the following measures:

- Employee awareness-raising and training (workshops, MOOCs, Green IT eco-design expert training),
- Webinars, conferences for our customers, prospects,
- Publication of articles in the press,
- Obtaining the NR label within 2-3 years,
- Presentation of our approach and our Green offers to all SQLI sales representatives (France),
- Sobriety audit of the sqli.com site,
- Implementation of a Green IT Lab within the Bordeaux agency.

3.8. Cross-reference table of the Global Compact/SDG principles

Section No.	Section Title	Page No.	Principles of the Global Compact	SDGs
3.5 Social issues				
3.5.1	Attractiveness, talent retention, well-being and engagement	p. 103 to 107	Principle 3: Companies are invited to respect the freedom of association and to recognise the right to collective bargaining Principle 4: Companies are invited to help eliminate all forms of forced labour	SDG 3: Good health and well-being SDG 8: Decent work and economic growth
3.5.2	Skills development and transformation	p. 108 to 110	Principle 3: Companies are invited to respect the freedom of association and to recognise the right to collective bargaining Principle 4: Companies are invited to help eliminate all forms of forced labour	SDG 4: Quality education
3.5.3	Diversity and equal opportunity	p. 110 to 113	Principle 6: Companies are invited to contribute to the elimination of all forms of discrimination in respect of employment and occupation	SDG 5: Gender equality SDG 10: Reduced inequalities
3.6 Ethics and governance issues				
3.6.1	Ethics and compliance	p. 113 to 117	Principle 1: Companies are invited to promote and respect the protection of international human rights law Principle 2: Companies are asked not to be complicit in human rights violations Principle 3: Companies are invited to respect the freedom of association and to recognise the right to collective bargaining Principle 5: Companies are invited to contribute to the effective abolition of child labour Principle 10: Companies are invited to take action against corruption in all its forms, including extortion and bribery	SDG 4: Quality education SDG 8: Decent work and economic growth SDG 16: Peace, justice and strong institutions

3.6.2	Security including cybersecurity and data protection	p. 117 to 122		SDG 4: Quality education SDG 16: Peace, justice and strong institutions
3.6.3	Customer satisfaction	p. 122 to 124		
3.7 Environmental issues				
3.7.1	Environmental impact	p. 124 to 129	<p>Principle 7: Companies are invited to apply the precautionary approach to environmental issues</p> <p>Principle 8: Companies are invited to take initiatives to promote greater environmental responsibility</p> <p>Principle 9: Companies are invited to promote the development and diffusion of environmentally friendly technologies</p>	<p>SDG 9: Industry, innovation and infrastructure</p> <p>SDG 12: Responsible consumption and production</p> <p>SDG 13: Climate action</p> <p>SDG 17: Partnerships for the goals</p>

3.9. Appendix: Social, ethical, governance and environmental indicators

3.9.1. Summary of social indicators

ATTRACTIVENESS, TALENT RETENTION, WELL-BEING AND ENGAGEMENT:

Table 38. Number of hires

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	GROUP
2020	128	15	151	25	5	12	0	4	31	22	48	441
2021	180	20	224	36	0	17	1	17	23	9	32	559

Table 39. Number of hires by gender in 2021

	SQLI GROUP
WOMEN	183
MEN	376

Table 40. Number of hires by type of contract in 2021

	SQLI GROUP
Fixed-term contract	43
Permanent contract	516

Table 41. % of hires from the co-optation system

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	GROUP
2020	15	13	11	12	20	42	0	0	3	0	11	12
2021	15	0	16	22	0	22	0	0	0	0	16	14

Table 42. % of employees subject to an annual performance review

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
2020	89	82	67	96	100	100	100	100	88	5	30
2021	98	93	99	94	100	100	100	100	91.5	53	98

Table 43. Voluntary turnover (in %)

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	GROUP
2020	14.9	8.6	19	21	28	9	0	16	16	26	38.5	29.1
2021	17.7	13.3	21	20	23	27	0	64	21	3	67	23.4

Table 44. Absenteeism rate

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
2020	3.5	2.2	0.8	ND	7	3	0	4	5	1	2.4
2021	3.5	3.1	1.15	ND	2.6	5	0.8	19	5.7	5	2.1

Table 45. Severity rate of workplace accidents with lost time

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
2021	0	0.67	0	0	0	0	0	0	0	0	0

Table 46. Frequency rate of work-related accidents with lost time

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
2021	0	20.2	0	0	0	0	0	0	0	0	0

Table 47. % of employees working from home

	SQLI GROUP
2021	77%

SKILLS DEVELOPMENT AND TRANSFORMATION:

Table 48. Number of training hours

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	TOTAL
2021	12,917	N/A	36,922	1,708	2,572	5,101	710	1,893	5,764	40	1,030	68,657

This indicator includes e-learning training hours.



Table 49. Number of e-learning training hours

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	TOTAL
2021	1,665	N/A	16,361	1,708	2,491	5,101	694	1,893	ND	0	1,030	30,943

Table 50. Number of training hours per employee

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	GROUP
2020	12.7	N/A	6.2	14	39	91	66	73	19	25	3.4	N/A
2021	13.9	N/A	55.2	12	128.6	116	142	40	41.2	2	14.7	33.6

Table 51. % of employees trained via e-learning

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
2021	37	N/A	61	100	55	100	40	100	ND	0	70

Table 52. Number of certifications obtained

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	GROUP
2020	ND	N/A	135	72	10	24	1	7	16	56	10	331
2021	12	N/A	146	65	6	8	2	10	ND	0	14	263

Table 53. Distribution of training per field

IN 2021 (%)	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
REGULATORY	11	/	0	0	0	0	0	/	0.1	0	0
TECHNICAL	34	/	79	10	10	20	10	/	32.	40	17
CERTIFICATION	7	/	4	50	70	70	70	/	4.9	30	11
PERSONAL DEVELOPMENT	12	/	6	0	0	0	0	/	16.7	0	0
LANGUAGES	2	/	7	10	10	0	10	/	0	0	70
MANAGEMENT	7	/	2	10	10	0	10	/	0.4	0	0
BUSINESS LINE	27	/	2	20	0	10	0	/	45.	30	2
TOTAL	100	/	100	100	100	100	100	100	100	100	100

DIVERSITY AND EQUAL OPPORTUNITY

Table 54. Number of employees by gender

	2020				2021			
	Women		Men		Women		Men	
	Number	%	Number	%	Number	%	Number	%
SQLI (FRANCE)	290	30	663	70	272	31	612	69
ASTON INSTITUT	16	70	7	30	20	59	14	41
SQLI MAROC	209	41	302	59	245	40	364	60
SQLI SUISSE	26	18	122	82	31	22	111	78
SQLI BELGIUM	3	13	20	87	2	10	18	90
SQLI DIGITAL	23	62	14	38	32	68	15	32
SQLI SA	1	20	4	80	1	20	4	80
STAR REPUBLIC	9	18	42	82	8	17	38	83
OSUDIO	45	26	128	74	27	19	113	81
SQLI UK LTD	13	25	40	75	5	24	16	76
SQLI SPAIN	12	16	64	84	13	21	48	79
TOTAL	647	32	1,406	68	656	33	1,353	67

Table 55. Number of employees by age in 2020

	+65 year s	-25 year s	25- 30 year s	30- 35 year s	35- 40 year s	40- 45 year s	45- 50 year s	50- 55 year s	55- 60 year s	60- 65 year s	TOTA L
SQLI	0	167	527	463	350	244	169	80	45	8	2,053

Table 56. Number of employees by age in 2021

	-25 year s	25- 30 year s	30- 35 year s	35- 40 year s	40- 45 year s	45- 50 year s	50- 55 year s	55- 60 year s	60- 65 year s	+65 year s	TOTA L
SQLI	177	485	441	333	248	173	86	48	18	0	2,009

Table 57. Employment rate of seniors in 2021

	Number of seniors (45 years and over)	% of senior employees (45 years and over)	Number of seniors (55 and over)	% of senior employees (55 and over)

SQLI GROUP	325	16%	66	3%
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Table 58. Number of employees by seniority in 2020

	-2 years	2-5 years	5-10 years	10-15 years	15-20 years	20-25 years	+25 years	TOTAL
SQLI GROUP	837	655	269	190	68	28	6	2,053

Table 59. Number of employees by seniority in 2021

	-2 years	2-5 years	5-10 years	10-15 years	15-20 years	20-25 years	+25 years	TOTAL
SQLI GROUP	704	684	292	198	76	46	9	2,009

Table 60. Number of employees by professional category in 2021

	Managers		Non-managers		TOTAL
	F	M	F	M	
SQLI GROUP	506	1,001	153	349	2,009

Table 61. % of women in management positions (excluding the Board of Directors)

	SQLI (FRANCE)	ASTON INSTITUT
2021	42%	50%

Table 62. % of women on the Board of Directors of SQLI (France)

	% of women on the Board of Directors of the SQLI entity (France)
2020	37.5%
2021	37.5%

Table 63. Number of part-time employees in 2021

	Full-time employees		Part-time employees		TOTAL
	F	M	F	M	
SQLI GROUP	600	1,332	53	24	2,009

Table 64. Number of employees by type of contract in 2021

	Permanent contract		Fixed-term contract		TOTAL
	F	M	F	M	
SQLI GROUP	631	1,325	25	28	2,009

Table 65. Number of employees with a disability

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN	GROUP
2020	20	0	1	1	0	0	0	0	3	0	0	25
2021	22	2	1	1	0	0	0	0	1	0	0	27

Table 66. Employment rate of employees with disability

	SQLI (FRANCE)	ASTON INSTITUT	SQLI MAROC	SQLI SUISSE	SQLI BELGIUM	SQLI DIGITAL BELGIUM	SQLI SA (Luxembourg)	STAR REPUBLIC	OSUDIO	SQLI UK LTD	SQLI SPAIN
2021	2.1	5.9	0	0.7	0	0	0	0	1	0	0

Table 67. Number of interns

	SQLI GROUP
2021	146

Table 68. Number of work-study students (apprentices/professional training contracts)

	SQLI GROUP
2021	64

Table 69. Comparison between the average salary of women and men in 2020

	Average gross monthly salary - Women			Average gross monthly salary - Men		
	Managers	Employees	Apprentices	Managers	Employees	Apprentices
SQLI (FRANCE)	€3,944	€2,292	€1,149	€4,038	€2,349	€1,551
ASTON INSTITUT	€4,222	€1,760	/	€3,979	/	/
SQLI MAROC	€1,483	/	€257	€1,813	/	€257
SQLI SUISSE	€9,822	€5,897	/	€12,036	€7,701	/
SQLI BELGIUM	€7,960	€4,900	/	€7,050	€4,234	/
SQLI DIGITAL BELGIUM	/	/	/	/	/	/
SQLI SA (Luxembourg)	/	€2,261	/	€13,643	€5,772	/
STAR REPUBLIC	€6,436	€4,920	/	€6,479	€4,424	/
OSUDIO	€6,800	€3,595	€485	€8,250	€4,118	€485
SQLI UK LTD	€7,703	€2,888	/	€9,012	€3,928	/
SQLI SPAIN	/	€4,211	/	€6,438	€3,146	€1,050

Table 70. Comparison between the average salary of women and men in 2021

	Average gross monthly salary - Women			Average gross monthly salary - Men		
	Managers	Employees	Apprentices	Managers	Employees	Apprentices
SQLI (FRANCE)	€4,031	€2,453	€1,611	€4,195	€2,394	€1,508
ASTON INSTITUT	€3,472	€2,553	€1,066	€3,811	/	€1,443
SQLI MAROC	€1,479	/	/	€1,740	/	/
SQLI SUISSE	€9,989	€6,684	/	€12,167	€8,190	/
SQLI BELGIUM	€8,036	/	/	€7,400	€4,412	/
SQLI DIGITAL BELGIUM	€5,331	€2,581	/	€4,223	€2,453	/
SQLI SA (Luxembourg)	€2,317	/	/	€13,643	€6,185	/
STAR REPUBLIC	/	€4,524	/	€4,139	€4,507	/
OSUDIO	€5,150	€3,703	€692.50	€8,498	€4,834	€692.50

SQLI UK LTD	/	€4,721	/	€8,700	€6,232	/
SQLI SPAIN	/	€3,537	/	€8,400	€3,356	/

3.9.2. Summary of ethics and governance indicators

ETHICS AND COMPLIANCE:

Table 71. Number of incidents confirmed or legal actions reported for corruption

	SQLI GROUP
2020	0
2021	0

Table 72. % of employees familiar with the SQLI code of conduct

	SQLI (FRANCE)	ASTON INSTITUT
2021	90.4%	

Table 73. Number of incidents reported via the alert procedure in place

	SQLI GROUP
2020	0
2021	0

Table 74. % of participation in Board of Directors' meetings

SQLI (FRANCE)	ATTENDANCE RATE AT BOARD MEETINGS
2020	90%
2021	100%

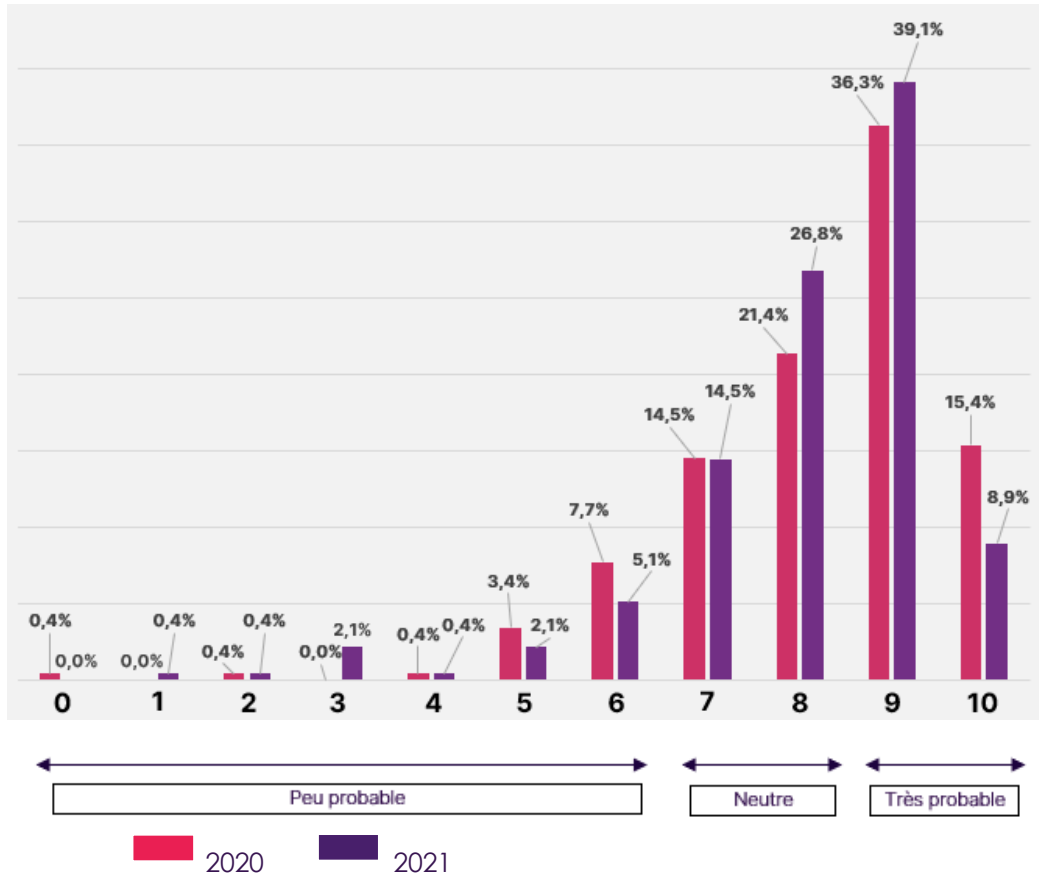
OPERATIONAL SECURITY INCLUDING CYBERSECURITY AND DATA PROTECTION:

Table 75. Total number of claims for breach of customer privacy and loss of customer data resulting in legal action

	SQLI GROUP
2020	0
2021	0

CUSTOMER SATISFACTION:

Table 76. Net recommendation rate



Peu probable	Unlikely
Neutre	Neutral
Très probable	Very likely

3.9.3. Summary of environmental indicators

ENVIRONMENTAL IMPACT:

Table 77. % of buyers who have received training on responsible purchasing

	SQLI (FRANCE)
2021	100%

Table 78. Electricity consumption

	Electricity consumption within the Group					
	2020			2021		
	In MWh	Establishment reporting rate ¹	Employee reporting rate in % ²	In MWh	Establishment reporting rate ⁵¹	Employee reporting rate in % ⁵²
SQLI (FRANCE)	551.897	8/8	100%	612.058	7/7	100%
ASTON INSTITUT	189.456	3/3	100%	211.357	3/3	100%
SQLI MAROC	429.200	3/3	100%	602.099	3/3	100%
SQLI SUISSE	105.000	2/2	100%	102.800	2/2	100%
SQLI BELGIUM	14.500	1/1	100%	20.341	1/1	100%
SQLI DIGITAL BELGIUM	9.270	1/1	100%	8.869	1/1	100%
SQLI SA (Luxembourg)	1.377	1/1	100%	1.377	1/1	100%
STAR REPUBLIC	42.000	½	82%	39.000	1/2	91%
OSUDIO	142.200	7/8	99%	155.000	7/8	100%
SQLI UK LTD	25.000	1/3	37%	14.984	1/1	100%
SQLI SPAIN	46.011	1/1	100%	36.000	1/1	100%
TOTAL	1555.911	88%	98%	1,803.885	93%	99.7%

- The reporting rates have been calculated as follows for each of the subsidiaries:
- **Establishment reporting rate:** number of establishments (agencies, service centres) of the entity that have reported their electricity consumption or for which consumption has been estimated/total number of entity establishments.
 - **Employee reporting rate in %:** number of employees of establishments that reported data within the entity or for which consumption was estimated/total number of employees within the entity.
- The overall reporting rate for the establishments of the entities included in the reporting scope was 99.7% in 2021.

⁵¹ Establishment reporting rate: number of establishments (agencies, service centres) of the entity that have reported their electricity consumption or for which consumption has been estimated/total number of entity establishments.

⁵² Employee reporting rate in %: number of employees of establishments that reported data within the entity or for which an estimate of consumption was calculated/total number of employees within the entity.

Table 79. Average annual electricity consumption per employee (kWh/employee)

	SQLI GROUP
2021	900

Table 80. CO₂ consumption during employee business travel

The calculation of greenhouse gas emissions related to transport concerns the travel by train and

	Energy consumption outside the Group in 2020 (Business travel)		Energy consumption outside the Group in 2021 (Business travel)	
	GHG emissions in kgCO ₂ e Travel by plane	GHG emissions in kgCO ₂ e Travel by train	GHG emissions in kgCO ₂ e Travel by plane	GHG emissions in kgCO ₂ e Travel by train
SQLI (France)/ASTON INSTITUT	24,517	2,523	16,030	2,365
TOTAL	27,040		18,395	

plane of SQLI/ASTON INSTITUT staff based in France. For travel by train, greenhouse gas emissions were calculated on the basis of emission factors in ADEME's Carbon Base®. For air travel, greenhouse gas emissions were calculated on the basis of emission factors published by the DEFRA (Department for Environment, Food & Rural Affairs).

Table 81. Paper consumption in kg

	SQLI GROUP
2020	933.8
2021	543.5

Table 82. % of eco-responsible certified paper purchased

	SQLI GROUP
2021	75%

Table 83. Quantity of paper purchased per employee (kg/employee)

	SQLI GROUP
2021	0.27

3.10. Taxonomy indicators

3.10.1. Share of revenue eligible for taxonomy

2021	Revenue (excl. Tax) in EUR	% of revenue
Group activities: consulting in systems and computer software		
Eligible part	0	0%
Ineligible part	225,381	100%
TOTAL	225,381	100%

The activity of SQLI meets the definition of activity 8.2 "Programming, consulting and other IT activities" (Adaptation appendix). This is not considered eligible: it can only be considered as a substantial contribution to climate change adaptation but is not identified in the appendix as being able to be enabling.

3.10.2. Share of CAPEX eligible for taxonomy

2021	CAPEX (excl. Tax) in EUR	% of CAPEX
Group activities: consulting in systems and computer software		
Eligible part	0	0%
Ineligible part	8,475	100%
TOTAL	8,475	100%

3.10.3. Share of OPEX eligible for taxonomy

2021	OPEX (excl. Tax) in EUR	% of OPEX
Group activities: consulting in systems and computer software		
Eligible part	0	0%
Ineligible part	12,814	100%
TOTAL	12,814	100%

3.11. Methodological note on reporting

The purpose of the Statement of Non-Financial Performance is to transparently attest to the overall performance of the SQLI Group in this area.

It is carried out by the SQLI Group's Legal Department, which centralises all the information communicated by the internal services - in particular HR for social information, but also by external service providers with a measurement system.

This declaration is based on data collection and monitoring. As such, the SQLI Group has adopted a set of indicators to measure its social, environmental and societal performance.

3.11.1. Reporting scope

The information presented in the "Social risks" section concerns:

- SQLI SA (France);
- ASTON INSTITUT, a French (training) subsidiary of the SQLI Group;
- The foreign subsidiaries of the SQLI Group, namely: SQLI MAROC, SQLI SUISSE, SQLI BELGIUM, SQLI DIGITAL BELGIUM (formerly WAX Belgium), SQLI SA (Luxembourg), SQLI UK LTD (formerly REDBOX), OSUDIO, STAR REPUBLIC, SQLI SPAIN.

The information presented in the "Environmental risks" section covers:

- For business travel: sites located in France;
- For energy consumption within the Group: SQLI for the following sites: Levallois-Perret, Le Grand Quevilly, Toulouse, Pessac and Nantes, ASTON INSTITUT for the following sites: Levallois-Perret, Arcueil and Lille, SQLI MAROC, SQLI SUISSE, SQLI BELGIUM, SQLI DIGITAL BELGIUM, SQLI SA (Luxembourg), STAR REPUBLIC, OSUDIO, SQLI SPAIN, SQLI UK LTD;
- For paper consumption: all companies in the SQLI Group;
- The acronyms "ND" and "N/A" mentioned in this statement mean "Not Disclosed" and "Not Applicable" respectively.

3.11.2. Social reporting methodology

It should be noted that for the purposes of this statement, the following terms should be understood as follows:

- **Workforce:** refers to the total number of employees with an employment contract (permanent, fixed-term contracts, including apprenticeship contracts and professional training contracts, excluding interns and subcontractors) as of 31 December 2021.
- **Number of new hires:** corresponds to the recruitment of employees on permanent and fixed-term contracts (including apprenticeship contracts and professional training contracts), excluding interns and subcontractors, in 2021.
- **% of recruitments resulting from the co-optation system:** this ratio is calculated as follows: (number of employees hired via the co-option system in 2021/total number of hires in 2021) x 100

- **% of employees having completed their BAP:** this ratio is calculated as follows: number of employees who completed a BAP in 2021/number of employees eligible for the BAP at the start of the 2021 BAP campaign x 100.
- **Voluntary turnover:** voluntary turnover is calculated as follows: ((cumulative number of departures/number of months)/average headcount since the beginning of the period) x 12. Departures correspond to voluntary departures of employees (termination of probationary period at the initiative of the employee, end of fixed-term contracts and resignations).
- **Absenteeism:** refers to the number of days of absence due to illness, work or commuting accidents, maternity, unjustified absences or paternity. % of absenteeism = (Number of hours of absence from 1 January 2021 to 31 December 2021)/number of hours worked in theory over the period*) x 100. * Number of hours worked in theory = legal working time x average number of employees over the year.
- **Workplace accident severity rate with lost time:** refers to the number of calendar days lost due to a workplace accident in 2021 x 1,000/Theoretical working hours in 2021.
- **Frequency rate of workplace accidents with lost time:** refers to the number of workplace accidents with lost time in 2021 x 1,000,000/Theoretical working hours in 2021.
- **Number of interns:** refers to the total number of interns who started or completed an internship within the company during 2021.
- **Number of work-study students (apprentices/professional training contracts):** refers to the total number of employees under an apprenticeship or professional training contract with the company in 2021.
- **% of employees benefiting from a remote working system:** this ratio is calculated as follows: number of employees present at 31 December 2021 and benefiting from a remote working system/total number of employees present at 31 December 2021 x 100.
- **Number of training hours:** refers to the number of training hours completed in 2021 by employees present in 2021 (present or not on 31 December 2021). This indicator includes e-learning training hours.
- **Average number of training hours per employee:** the average number of training hours per employee is calculated as follows: number of training hours completed in 2021 (general training and digital training (e-learning))/average workforce in 2021.
- **% of employees trained in e-learning:** this ratio is calculated as follows: number of employees who completed e-learning training in 2021/average workforce in 2021.
- **Number of certified employees:** certifications correspond to training leading to a final examination (which may take the form of a simplified questionnaire or an oral examination in front of a sworn jury depending on the type of certification and its reputation). Certifications consist of validating a level of knowledge in a specific area (in most cases, it is a matter of validating knowledge acquired in a specific area). These certifications may have local recognition (French market or within a community of specialists) or they may be international in scope. The number of certifications obtained therefore corresponds to the number of final exams validated by employees. The indicator concerns certifications obtained in 2021.

- **Employment rate of seniors**: this ratio is calculated as follows:
 - Number of seniors (45 years and over): refers to the total number of employees aged 45 and over as of 31 December 2021,
 - % of seniors (45 years and over): refers to the total number of employees aged 45 and over as of 31 December 2021/the total number of employees as of 31 December 2021,
 - Number of seniors (55 and over): refers to the total number of employees aged 55 and over as of 31 December 2021,
 - % of seniors (55 years and over): refers to the total number of employees aged 55 and over as of 31 December 2021/the total number of employees as of 31 December 2021.
- **% of women in management positions (excluding the Board of Directors)**: this ratio is calculated as follows: (Total number of women holding management positions (“Manager” or “Director” positions, excluding operational staff)/total number of employees holding management positions (“Manager” or “Director” positions) Director (excluding operational staff) x 100.
- **% of women on the Board of Directors of SQLI**: in order to determine the % of women on the Board of Directors of SQLI, we carried out the following calculation: number of women on the Board of Directors/total number of members of the Board of Directors (with the exception of the director representing employees) x 100.
- **Number of employees with disabilities**: refers to the total number of employees recognised as disabled workers as of 31 December 2021.
- **Employment rate of employees with disabilities**: refers to the total number of employees recognised as disabled workers at 31 December 2021/the total number of employees at 31 December 2021 x 100.

3.11.3. Ethics and governance reporting methodology

- **% of employees having read the SQLI Code of Conduct**: number of employees who completed the form certifying that they were aware of the SQLI Code of Conduct on 31 December 2021/total number of employees on 31 December 2021 x 100.
- **Number of incidents of corruption confirmed or legal actions reported**: a confirmed incident of corruption is an incident that is recognised as a gross violation of the Code of Conduct, Company policies or legislation relating to corruption. Incidents for which an investigation is still ongoing during the reporting period are not considered to be confirmed.
- **Operational security**: we asked all our subsidiaries (in France and abroad) to identify the number of legal actions brought by our customers due to loss of data resulting from a fault on the part of the SQLI Group.

- **Customer satisfaction indicators:** we based our satisfaction survey on the NPS (Net Promoter Score) method to determine the recommendation rate of our customers. The NPS methodology is based on the following fundamental question: “What is the probability that you will recommend SQLI to a friend or colleague?” Customers are then asked to rate their response on a scale of 0 to 10, this scale being divided into three categories: “Unlikely” from 0 to 6, “Neutral” from 7 to 8 and “Very likely” from 9 to 10. In accordance with the NPS method, we sent the following question: “On a scale of 0 to 10, would you recommend SQLI to a colleague or a close relative” to 833 of our customers located in France, Switzerland and Belgium, who have contracted, since March 2020, fixed-price services or services for an annual amount more than €150,000.

3.11.4. Environmental reporting methodology

- **% of buyers who received training on responsible purchasing:** this ratio is calculated as follows: number of buyers who received training on responsible purchasing as of 31 December 2021/total number of buyers as of 31 December 2021 x 100.
- **Electricity consumption:** the electricity bills provided by EDF are used to calculate the electricity consumption of the SQLI establishments in Levallois-Perret, Toulouse, Pessac, Grand-Quevilly, Nantes and for the ASTON INSTITUT in Levallois-Perret, Arcueil and Lille. For establishments that were unable to provide electricity consumption, we performed an estimate based on the average consumption per employee of the establishments that reported data. We then multiplied this average consumption by the number of employees present at 31 December in the establishment for which we had estimated consumption. For foreign subsidiaries, suppliers’ electricity bills are also used to calculate electricity consumption, with the exception of SQLI SA (Luxembourg), for which we provided an estimate based on: the previous year’s consumption. For electricity bills on a rolling period compared to the reporting period, the electricity consumption was calculated on a pro rata basis for the 12 months of the year. The reporting rates have been calculated as follows for each of the subsidiaries:
- Establishment reporting rate: number of establishments (agencies, service centres) of the entity that have reported their electricity consumption or for which consumption has been estimated/total number of entity establishments.
 - Employee reporting rate in %: number of employees of establishments that reported data within the entity or for which an estimate of consumption was calculated/total number of employees within the entity.
- **Electricity consumption per employee:** we calculated this ratio as follows: electricity consumption in kWh within the entity’s facilities/number of employees as at 31 December 2021 within the entity’s facilities that reported data or for which a consumption estimate was calculated. This indicator was not calculated for ASTON INSTITUT insofar as, in addition to these employees, this entity receives many students/people in training as part of its activity.
- **Paper consumption:** the extracts from the SQLI Group accounts provided by the Group’s various suppliers make it possible to calculate the paper consumption of the Group’s entities on the basis of supplier invoices.

- **Greenhouse gas emissions related to business travel:** the greenhouse gas emissions for staff travel relating to air and train transport for employees established in France are calculated on the basis of extracts provided by the company in charge of travel management within SQLI/ASTON INSTITUT. Greenhouse gas emissions from the travel of staff based in France were calculated on the basis of emission factors published by the DEFRA (Department for the Environment, Food & Rural Affairs) for air travel and air travel factors present in the ADEME Carbon Base® for train travel for the year 2021.
- **% of eco-responsible paper purchased (in kg):** refers to the quantity of eco-responsible certified paper purchased in 2021 (in kg)/total quantity of paper purchased in 2021 (in kg) x 100.
- **Quantity purchased per employee:** refers to the total quantity of paper purchased in 2021 (in kg)/total number of employees present as of 31 December 2021.

Cross-reference table

LEGISLATION	LIST OF MANDATORY ITEMS	TREATMENT OF ITEM
Sustainable Food Act of 30 October 2018	Fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food	Given the dematerialised nature of our activities, we believe that this does not constitute a significant CSR risk and therefore does not warrant further discussions in this report.
Decree implementing the transposition of the European directive (No. 2017-1265)	Consequences on climate change of the company's activity and the use of the goods and services it produces (contribution and adaptation)	Given the dematerialised nature of our activities, we believe that this does not constitute a significant CSR risk and therefore does not warrant further discussions in this report.
	Circular economy	Given the dematerialised nature of our activities, we believe that this does not constitute a significant CSR risk and therefore does not warrant further discussions in this report.
	Fight against food waste	Given the dematerialised nature of our activities, we believe that this does not constitute a significant CSR risk and therefore does not warrant further discussions in this report.
	Collective agreements concluded within the Company and their impact on the Company's economic performance	Given the dematerialised nature of our activities, we believe that this does not constitute a significant CSR risk and therefore does not warrant further discussions in this report.
	Actions to combat discrimination and promote diversity and measures taken in favour of people with disabilities	See section 3.5.3 "Diversity and equal opportunities".
	Societal commitments in favour of sustainable development	See section 3.7 "Environmental issues".

3.12. Report of the independent third party

SQLI

Financial year ended 31 December 2021

Report of the independent third party to the General Meeting on the verification of the consolidated non-financial performance statement

In our capacity as an independent third party (“third party”), accredited by COFRAC (COFRAC Inspection Accreditation, No. 3-1681, scope available on www.cofrac.fr) and member of the network of one of the Statutory Auditors of your company (hereinafter “entity”), we carried out work to formulate a reasoned opinion expressing a conclusion of moderate assurance on the compliance of the consolidated statement of non-financial performance, for the financial year ended 31 December 2021 (hereinafter the “Statement”) with the provisions provided for in Article R. 225-105 of the French Commercial Code and on the fairness of historical information (recorded or extrapolated) provided in accordance with the third paragraph of sections I and II of Article R. 225 -105 of the French Commercial Code (hereinafter the “Information”) prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), presented in the management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the “Nature and scope of the work” section, and the information we have collected, we have not identified any significant anomaly that would call into question the fact that the consolidated statement of non-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and in time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

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

Responsibility of the entity

The Board of Directors is responsible for:

- Selecting or establishing appropriate criteria for the preparation of the Information;
- Preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators;
- As well as putting in place the internal control that it deems necessary to prepare information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared in accordance with the entity's Guidelines as mentioned above.

Liability of the independent third party

It is our responsibility, on the basis of our work, to issue a reasoned opinion expressing a conclusion of moderate assurance on:

- Compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (recorded or extrapolated) provided in accordance with paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including key performance indicators, and the actions relating to the main risks.

As we are responsible for making an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions;
- Compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional doctrine of the Compagnie nationale des commissaires aux comptes relating to this intervention in lieu of an audit programme and the international standard ISAE 3000 (revised)⁵³.

⁵³ ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French National Association of Statutory Auditors relating to this intervention.

Means and resources

Our work required the skills of three people and took place between January 2022 and March 2022 over a total intervention period of six weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We conducted seven interviews with the people responsible for preparing the Statement, representing the human resources, legal and marketing departments.

Nature and scope of work

We have planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we have conducted, exercising our professional judgement, enable us to formulate a conclusion of moderate assurance:

- We took note of the activity of all the entities included in the scope of consolidation and the description of the main risks;
- We assessed the appropriateness of the Guidelines with regard to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, where applicable, best practices in the sector;
- We verified that the Statement covers each category of social and environmental information provided for in Article L. 225-102-1 III;
- We verified that the Statement presents the information provided for in II of Article R. 225-105 when it is relevant with regard to the main risks and includes, where applicable, an explanation of the reasons justifying the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- We verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, risks created by its business relationships, products or services as well as policies, actions and results, including key performance indicators relating to the main risks;

- We consulted documentary sources and conducted interviews to:
 - Assess the process for selecting and validating the main risks as well as the consistency of the results, including the key performance indicators used, with regard to the main risks and policies presented, and
 - Corroborate the qualitative information (actions and results) that we considered to be the most important presented in Appendix 1. For certain risks (customer satisfaction, operational safety, ethics and corporate governance), our work was carried out at the level of the consolidating entity, for the other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed below: SQLI France, Aston Institut;
- We verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement;
- We reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative results that we considered to be the most important presented in Appendix 1, we implemented:
 - Analytical procedures consisting of verifying the correct consolidation of the data collected as well as the consistency of their changes, and
 - Detailed tests on the basis of sampling or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities listed above and covers between 33% and 45% of the consolidated data selected for these tests (33% of energy consumption and 45% of the workforce);
- We assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures implemented as part of a moderate assurance audit are less extensive than those required for a reasonable assurance audit performed according to the professional doctrine; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 24 March 2022

Independent third party

EY & Associés

Eric Mugnier
Partner, Sustainable Development

Appendix 1: information considered to be the most important

Social information	
<i>Quantitative information (including the key performance indicators)</i>	<i>Qualitative information (actions or results)</i>
Total workforce Breakdown of workforce by gender Voluntary turnover rate Percentage of employees who received regular performance and professional development reviews during the year Percentage of hires from the co-optation system Number of certifications obtained by employees during the year Number of training hours per employee	Results of the recruitment policy Results of the co-optation system Results of the psychosocial risk prevention programme Results of the employee development policy Results of the equal opportunities policy
Environmental information	
<i>Quantitative information (including the key performance indicators)</i>	<i>Qualitative information (actions or results)</i>
Electricity consumption (MWh) GHG emissions related to transport	-
Societal information	
<i>Quantitative information (including the key performance indicators)</i>	<i>Qualitative information (actions or results)</i>
Net recommendation rate Percentage of employees familiar with the SQLI Code of Conduct	Results of the data protection programme Results of the compliance and ethics programme

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CHAPTER 4. FINANCIAL INFORMATION

4.1. Consolidated annual financial statements at 31 December 2021

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousands of euros)	Notes	31.12.2021	31.12.2020
Goodwill	1)	89,199	90,660
Intangible assets	2)	4,190	4,925
Rights-of-use relating to leasing contracts	3)	18,659	23,546
Property, plant and equipment	4)	8,613	8,960
Financial assets	5)	6,246	6,279
Non-current tax asset	8)	2,583	1,900
Deferred tax assets	19)	798	1,989
NON-CURRENT ASSETS		130,286	138,259
Trade receivables	6)	71,606	63,403
Other receivables and accrued income	7)	16,833	15,740
Current tax asset	8)	1,328	1,069
Cash and cash equivalents	9)	32,551	39,811
CURRENT ASSETS		122,319	120,023
TOTAL ASSETS		252,605	258,282



LIABILITIES (in thousands of euros)	Notes	31.12.2021	31.12.2020
Capital	10)	3,691	3,691
Premiums		50,620	49,925
Consolidated reserves		41,313	40,541
Consolidated income		5,297	173
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		100,921	94,330
Non-controlling interests		-	-
CONSOLIDATED EQUITY		100,921	94,330
Long-term financial debts	13)	39,185	47,798
Lease liabilities at more than one year	15)	13,525	19,023
Long-term provisions	17)	4,054	3,805
Deferred tax liabilities	19)	651	778
Other non-current liabilities	20)	803	2,862
NON-CURRENT LIABILITIES		58,219	74,266
Short-term financial debts	13)	9,778	7,680
Lease liabilities at less than one year	15)	8,180	8,302
Short-term provisions	17)	1,299	1,011
Trade payables		18,874	15,990
Other liabilities	21)	53,933	54,880
Current tax liability	22)	1,401	1,823
CURRENT LIABILITIES		93,465	89,686
TOTAL LIABILITIES		252,605	258,282



B. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2021	2020
REVENUE	VI.	225,381	213,668
Other operating income	24)	3,814	5,035
Purchases consumed		-1,515	-1,442
Personnel expenses	25)	-127,099	-131,947
External expenses	28)	-72,132	-63,500
Taxes and duties		-3,716	-3,187
Depreciation, amortisation and provisions		-11,652	-11,491
Other operating income and expenses		17	13
CURRENT OPERATING INCOME	VI.	13,098	7,149
Impairment of goodwill		-	-
Other non-recurring operating income and expenses	29)	-1,389	303
OPERATING INCOME		11,708	7,452
Income (expenses) from cash and cash equivalents		-396	-11
Cost of gross financial debt		-1,873	-2,341
Cost of net financial debt	30)	-2269	-2352
Other financial income and expenses	30)	-409	-78
PROFIT (LOSS) BEFORE TAX		9,030	5,022
Tax expense	31)	-3,734	-4,849
NET INCOME (before income from discontinued operations or in the process of being sold)		5,297	173
Net income from discontinued operations or activities in the process of being sold			
NET INCOME FOR THE CONSOLIDATED GROUP		5,297	173
Of which Group share		5,297	173
Of which non-controlling interests		-	-
Earnings per share, Group share (in euros)		1.16	0.04
Average number of shares outstanding	32)	4,562,534	4,550,123
Diluted earnings per share attributable to owners of the parent (in euros)		1.16	0.04
Average number of shares and stock options outstanding	32)	4,580,106	4,572,689

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2021	2020
NET INCOME	5,297	173
Actuarial gains and losses on defined benefit plans, net of tax	-367	-388
Items that will not be reclassified to profit or loss	-367	-388
Translation differences	989	-120
Items that will be reclassified to profit or loss	989	-120
Total items recognised in equity	622	-508
COMPREHENSIVE INCOME	5,919	-335
Attributable to non-controlling interests	-	-
Attributable to the group	5,919	-335



C. CHANGE IN CONSOLIDATED EQUITY

(in thousands of euros)	Number of shares	Capital	Premiums	Reserves	Profit for the year	Translation differences and actuarial gains and losses	Group share	Shareholders' equity Non-controlling interests	Total
Situation at 31/12/2019	4,613,975	3,691	49,868	35,347	4,674	1,135	94,715		94,715
Appropriation of income				4,674	-4,674				
Allocation of stock options and free shares			117				117		117
Treasury shares			13				13		13
<i>Results of the 1st half-year</i>					549				
<i>Other items of comprehensive income</i>						-92			
Comprehensive income for the 1 st half-year					549	-92	457		457
Situation at 30/06/2020	4,613,975	3,691	49,998	40,021	549	1,043	95,302		95,302
Distribution of dividends				-107			-107		-107
Allocation of stock options and free shares			109				109		109
Treasury shares			-182				-182		-182
<i>Results of the 2nd half-year</i>					-376				
<i>Other items of comprehensive income</i>						-416			
Comprehensive income for the 2 nd half-year					-376	-416	-792		-792
Situation at 31/12/2020	4,613,975	3,691	49,925	39,914	173	627	94,330		94,330
Appropriation of income				173	-173		0		0
Allocation of free shares			39				39		39
Treasury shares			528				528		528
<i>Results of the 1st half-year</i>					2,778				
<i>Other items of comprehensive income</i>						443			
Comprehensive income for the 1 st half-year					2,778	443	3,221		3,221
Situation at 30/06/2021	4,613,975	3,691	50,492	40,087	2,778	1,070	98,118		98,118
Distribution of dividends				-23			-23		-23
Allocation of free shares			127				127		127
Treasury shares			1				1		1
<i>Results of the 2nd half-year</i>					2,519				
<i>Other items of comprehensive income</i>						179			
Comprehensive income for the 2 nd half-year					2,519	179	2,698		2,698
Situation at 31/12/2021	4,613,975	3,691	50,620	40,064	5,297	1,249	100,921		100,921

D. CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	2021	2020
NET INCOME FOR THE CONSOLIDATED GROUP	5,297	173
Elimination of depreciation and provisions ¹	12,027	11,996
Elimination of changes in fair value through profit or loss	-	-3,801
Elimination of gains and losses on disposals	273	-27
Calculated income and expenses related to share-based payments	166	226
Other income and expenses with no impact on cash	361	-
CASH FLOW AFTER COST OF FINANCIAL DEBT AND TAX	18,124	8,567
Income tax expense (including deferred taxes)	3,734	4,849
Cost of financial debt	1,873	2,341
CASH FLOW BEFORE FINANCIAL COSTS AND TAXES	23,731	15,757
Change in customers	-7,123	15,670
Change in suppliers	2,683	-9,711
Change in other current assets and liabilities	-23	6,221
Income tax (paid) refunded ²	-3,332	-3,020
CASH FLOWS FROM OPERATING ACTIVITIES	15,936	24,917
Acquisitions of fixed assets	-2,456	-1,929
Disposals of fixed assets	58	126
Changes in scope ³	-3,373	-8,375
CASH FLOWS FROM INVESTMENT ACTIVITIES	-5,771	-10,178
Capital increases	-	-
Dividends paid to minority shareholders	-	-107
Acquisition (sale) of treasury shares	131	-169
Loan issues	48	25,000
Loan repayments	-6,007	-4,879
Repayment of lease liabilities	-8,914	-8,734
Interest paid on lease obligations	-614	-883
Interest paid	-1,526	-1,063
Subscription of other financial debts	-	-
Repayment of other financial debts	-	-4,729
CASH FLOWS FROM FINANCING ACTIVITIES	-16,882	4,436
CHANGE IN CASH FLOWS	-6,717	19,175
Cash and cash equivalents as at 1 January	38,785	19,758
Impact of exchange rate differences	401	-148
CASH AND CASH EQUIVALENTS AT 31 DECEMBER⁴	32,469	38,785

¹ Excluding provisions related to current assets.

² Of which payment of CVAE (€564,000).

³ Including the exercise of call options on OSUDIO (€2,327,000), REDBOX (€626,000) and STAR REPUBLIC (€413,000).

⁴ Cash on statement of financial position assets of €32,551,000 (€39,811,000 at 31 December 2020) net of bank overdrafts (€1,026,000).



E. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Activity

Created in 1990, SQLI is the leading partner to support companies in the digital transformation of their customers' journey and all the internal services impacted by this change. Its unique positioning combining marketing and technology allows it to offer a global response to the challenges of developing sales and notoriety (digital & social marketing, customer experience, connected commerce, data intelligence, etc.) as well as the challenges of productivity and internal efficiency (digitalisation of operations, collaborative enterprise, mobility and connected objects, CRM, etc.).

SQLI SA is listed on NYSE Euronext Paris compartment C (ISIN FR0011289040).

In 2021, SQLI recorded revenue of €225 million, up 5% compared to 2020. The Group did not make any acquisitions in 2021, a year of recovery, which was marked by uncertainties linked to the health crisis.

In this context, the Group recorded two different situations:

- Internationally, growth continued throughout the year (+7%), in the very buoyant customer and employee experience platform market. This follows continuous growth for several years even during the Covid crisis.
- In France, activity has returned to significant growth since the second quarter of 2021, particularly in the regions and in its training activity. As a reminder, 2020 saw a sharp decline (-24%), as its major customers such as AIRBUS or its customers in the banking sector significantly reduced their projects.

SQLI recorded a slight decrease in its workforce and the turnover rate, close to 25% for the year, has returned to a normal level for the digital sector. At the same time, the Group maintains a moderate rate of subcontracting, with the use of subcontracting rather limited to rare skills not available internally. Employee training is also encouraged.

The SQLI Digital Experience brand is now the Group's only brand and its deployment was completed in January 2022.

Joint projects with the centre of expertise in Morocco accelerated in 2021.

In this context, current operating profit increased by 83% and amounted to €13.1 million compared to €7.1 million a year earlier. EBITDA (excluding IFRS 16) was also up 85% to €15.2 million.

Operating income for 2021 amounted to €11.7 million, up 21% (€7.5 million in 2020).

After taking into account the cost of financial debt (€2.7 million) and the tax expense (€3.7 million), net profit rose sharply to €5.3 million compared to €0.2 million in 2020.

SQLI has a solid balance sheet with equity of €100.9 million and net financial debt of €16.4 million without using factor financing.

Events after the reporting period

DBay Advisors, reference shareholder of SQLI since December 2019 with a stake of 29%, decided, on 23 September 2021, to launch a cash takeover bid on all of the company's shares.

This takeover bid was closed, as noted by the AMF on 1 February 2022, with 65.30% of the shares held and 62.48% of the voting rights. Following the reopening of the offer, DBay Advisors now holds 66.63% of the share capital and 63.75% of the voting rights of SQLI.



In this context, the SQLI Group restructured its financing in early February 2022. Debts (syndicated loan, PGE and BPI lines) for a total amount of €49 million were repaid, thanks to a high level of cash and the setting up of a €28 million unitranche financing over seven years with flexibility, to which is added a €20 million Capex line with TIKEHAU to finance acquisitions. The Group also negotiated a RCF for €10 million with BPI and two of its historical banks (Caisse d'Épargne BPL and Banque Palatine).

The costs of setting up this financing (commissions and early repayment penalties), as well as support during the takeover bid amounted to approximately €5 million and were disbursed in February and March 2022.

In addition, and in accordance with the commitments made by DBay Advisors during the takeover bid, two new directors representing the DBay companies were co-opted to the Board of Directors on 18 February 2022, replacing two independent directors who resigned.

Accounting rules and policies

1) General framework

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements for the 2021 financial year have been prepared in accordance with the international accounting standards (IAS/IFRS) adopted by the European Union and applicable on 8 March 2022, date on which these financial statements were closed by the Board of Directors. This standard is available on the European Commission website:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The accounting principles applied at 31 December 2021 are the same as those used for the consolidated financial statements at 31 December 2020.

2) Changes in accounting basis in 2021

a- New standards and interpretations with mandatory application at 1 January 2021

The standards and interpretations applicable, on a mandatory basis, from 1 January 2021 have no significant impact on the Group's consolidated financial statements at 31 December 2021, in particular with regard to the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, adopted as part of the reform of benchmark interest rates.

b- Standards, amendments to standards and interpretations not yet adopted by the Group

The Group has not applied in advance any of the new standards and interpretations mentioned below that may affect it and whose application was not mandatory at 1 January 2021:

- Amendment to IFRS 16 "Covid-19 Leases - Rent Concessions";
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets - Onerous contracts, notion of costs directly related to the contract";
- Amendments to IAS 16 "Property, plant and equipment - Recognition of revenue generated before commissioning";
- Amendments to IFRS 3 "Business Combinations - Reference to the Conceptual Framework";
- Annual improvements to IFRS 2018-2020 cycle.

A study of the impacts and practical consequences of the application of these standard amendments is underway.



3) Estimates and judgements

For the preparation of financial statements in accordance with IFRS, the Group must make estimates and assumptions that affect the carrying amount of assets and liabilities, income and expenses, as well as the information provided in certain notes to the financial statements.

Management assesses these estimates and assessments continuously on the basis of its past experience as well as various other factors deemed reasonable that form the basis of these assessments. Future results are likely to differ significantly depending on different assumptions or conditions.

These estimates mainly concern the recognition of revenue from fixed-price contracts, the recognition of deferred tax assets, impairment tests on assets, the calculation of pension obligations and other long-term benefits, the assessment of earn-out clauses, current and non-current provisions as well as the measurement of leases under IFRS 16.

4) Principle of consolidation

As the parent company exercises exclusive control over all Group companies, all companies are fully consolidated. All transactions between consolidated companies as well as internal Group results have been eliminated.

The income statement includes the financial statements of companies acquired during the financial year from their acquisition date and the financial statements of companies sold until their disposal date.

Company securities that, although meeting the above criteria, are not consolidated, are recorded under "Financial assets". These are companies that, both individually and overall, are not significant for any of the aggregates of the consolidated financial statements.

5) Consolidation of subsidiaries

Business combinations are accounted for using the acquisition method. Under this method, assets acquired and liabilities assumed, as well as contingent liabilities assumed, are recognised at their fair value at the acquisition date.

a- Identifiable assets and liabilities

When an entity is first consolidated, assets and liabilities whose net carrying amount differs significantly from their fair value are revalued.

Differences in value (valuation differences) are reclassified to the balance sheet items concerned and follow their own accounting rules. The Group has the year following the vesting period to finalise the valuations.

b- Goodwill

The difference between the acquisition price of the consolidated company's shares and the Group's share in its restated equity at the date of entry into the consolidation scope is allocated to the differences in value that may be attributed to the identifiable assets and liabilities. The unallocated residual portion is recorded under "Goodwill" on the asset side of the statement of financial position.

Costs incidental to the acquisition are non-recurring operating expenses.



6) Translation methods for items in foreign currencies

a- Foreign currency transactions

Transactions in foreign currencies are converted into euros using the average exchange rate on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the closing rate. Translation differences are recognised as income or expenses. Non-monetary assets and liabilities denominated in a foreign currency, recognised at historical cost, are translated at the exchange rate on the transaction date.

b- Financial statements of foreign entities

All assets and liabilities of consolidated entities whose functional currency is not the euro are translated at the closing rate. Income and expenses are translated at the average exchange rate for the financial year ended. The exchange differences resulting from this treatment and those resulting from the conversion of the equity of the subsidiaries at the beginning of the financial year according to the closing prices are included under the heading "Translation differences" in "Consolidated reserves" of consolidated equity. Exchange differences arising on the translation of the net investment in foreign subsidiaries and associates are recognised in equity.

7) Operating segments

The segment information required by IFRS 8 is based on the internal reporting used by the Group's main decision-makers, i.e. SQLI's Chairperson and CEO, its functional and operational directors.

From 2021, the truly European group is organised around two geographical areas, France and International, each of which account for almost half of the activity:

- This organisation was set up to meet the demand of customers in each country who use the group's technical and digital services. Consequently, the CEO quickly appointed two executives for these two geographical areas, each responsible for an operating account.
- The challenges for France are firstly to better control its indirect costs to achieve the average operational profitability of the sector and then to complete its technical base (data, Cyber, etc.) before rolling it out internationally.
- The dual challenge internationally is to combine sales growth and a two figure profitability rate and to fully integrate the companies acquired (medium-size companies for SQLI) before completing its European coverage (in particular Italy, Spain and consolidation in Germany, for example).

Given this organisation, the "Digital & Technology (DT)" and "Commerce & Experience (CX)" operating segments previously analysed by the Group are replaced by the "France" and "International" geographical areas.



8) Intangible assets

Intangible assets are recognised at acquisition cost and amortised on a straight-line basis over their useful life:

- Software and software packages 1 to 5 years
- Customer portfolios 8 years

In accordance with IAS 38, research costs are recorded as expenses in the year in which they are incurred. Barring exceptions, development costs are maintained as expenses because they do not correspond to the six criteria set out in the standard.

9) Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost. Borrowing costs are not included in the value of non-current assets.

Depreciation is calculated on a straight-line basis on the basis of the acquisition cost of the assets, according to the useful lives, which are generally established within the following limits:

- Fixtures 8 to 10 years
- Office equipment and furniture 3 to 5 years
- IT equipment 2 years

The differences resulting from the different depreciation rates applied in the various Group companies to non-current assets of the same nature are not material and have not been restated in the consolidated income statement.

10) Leases

The Group leases its offices in France and abroad and has entered into leases falling within the scope of IFRS 16 for most of its vehicles and IT equipment.

In accordance with IFRS 16, all leases are recognised as assets through the recognition of a right of use and a liability corresponding to the present value of future payments. The lease term is defined contract by contract and corresponds to the firm period of the commitment taking into account the optional periods that will be reasonably certain to be exercised.

The lease liability is recognised for an amount equal to the present value of the rents over the term of the contract. The amounts taken into account for rents in the valuation of the debt are fixed and variable rents based on a rate or an index as well as the payments to be made by the lessee under a residual value guarantee. The discount rate used to calculate the lease liability is determined for each asset according to the Group's marginal debt ratio at the effective date of the contract.

The right of use is equal to the initial amount of the debt plus, if applicable, the advance payments made to the lessee net of the benefits received from the lessor and, where applicable, the initial direct costs incurred by the lessor for the conclusion of the contract.

The right of use is amortised on a straight-line basis over the useful life of the underlying assets.

The Group has chosen to restate the rents of all contracts falling within the scope of the standard, regardless of the value of the underlying asset. Only short-term leases (less than 12 months) are recognised as expenses.



11) Impairment of non-current assets

Goodwill is tested for impairment, in accordance with IAS 36, at least once a year or more frequently if there are indications of impairment.

Other non-current assets, mainly IT equipment and office equipment, are not subject to an impairment test due to their nature and depreciation period.

12) Financial assets

This item includes non-consolidated equity securities, deposits and guarantees paid and loans. Unlisted equity securities are classified by default in the category "Securities available for sale". They are recorded at their acquisition cost (purchase price plus acquisition costs) or at their contribution value.

When their net asset value at the closing date is lower than the recognised value, a provision for impairment is made for the amount of the difference. The inventory value of the shares is assessed on the basis of criteria such as the share of net position, changes in revenue and sustainable profitability.

The 20-year loans constituting the Company's participation in the construction effort are recorded in the statement of financial position at their current value.

The Company has taken out a liquidity contract in accordance with the AFEI charter, in order to foster the liquidity of transactions and regular listing of its securities. The transactions performed on its behalf by the stockbroker company having signed the contract are recorded under financial investments. Treasury shares held under this contract are deducted from consolidated equity.

13) Valuation of receivables and payables

Receivables and payables are measured at their fair value, which generally corresponds to their nominal value. A provision for impairment of trade receivables is recognised in the event of litigation to take into account the risk of non-recovery.

The Group also applies the simplified model as defined in IFRS 9 and records an impairment of its trade receivables corresponding to the expected credit loss. The impairment rates used were estimated based on the maturities and late payments of receivables, taking into account the losses that the Group may have recognised in the past. An analysis of losses will be conducted annually in order to possibly adjust the impairment rates.

Transactions in foreign currencies are translated at the exchange rate on the transaction date. Gains and losses resulting from the conversion of balances at the closing rate are recognised in the income statement under current operating income.

14) Principle for recognising revenue

Revenue from service contracts performed by the Group is recognised in accordance with the provisions of IFRS 15. In most cases, these contracts only include a single performance obligation, which is realised as the contract progresses.

When a contract includes several distinct performance obligations, the Group allocates the total price of the contract to each performance obligation. Contract amendments (relating to the price and/or scope of the contract) are recognised when they are approved by the customer.



When these changes relate to new goods or services considered to be separate under IFRS 15, and the price of the contract increases by an amount reflecting the prices of these additional goods and services, these changes are recognised as a separate contract.

To measure the progress of contracts, the Group uses either a method based on the number of days completed (services provided under contract), or a method based on a percentage of completion by costs (fixed-price services).

Revenue recognised that has not been invoiced is recorded in the statement of financial position under contract assets (invoices to be prepared) at the closing date. Conversely, amounts invoiced to customers that have not yet been recognised in revenue are recognised as contract liabilities (deferred income).

The Group also purchases services on behalf of third parties. When it is only the intermediary between its suppliers and its end customers, the Group acts as an agent and recognises in revenue only the margin resulting from this transaction.

Some multi-year contracts require a familiarisation phase prior to their execution: the costs generated during this phase constitute start-up costs recognised as prepaid expenses and then spread over the duration of the contract.

In accordance with IAS 37 and for fixed-price projects, a provision for loss on completion is recognised when the projected margin of the project is negative.

15) Financial instruments

Assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

a- Borrowings

On the date they are issued, borrowings are recognised at the fair value of the consideration given, which normally corresponds to the cash received, net of the related issue costs. Subsequently, borrowings are valued at amortised cost using the effective interest rate (EIR) method. Issuance costs are recognised in the income statement on a staggered (actuarial) basis using the EIR method.

b- Cash

The “Cash and cash equivalents” line includes cash on hand, bank balances and short-term investments in monetary instruments. These investments are available at any time for their nominal amount and the risk of a change in value is negligible. Cash equivalents are valued at their market value at the reporting date. Changes in value are recorded under “Income from cash and cash equivalents”.

16) Derivatives

a- Exposure to foreign exchange risk

Overall, the Group has little exposure to foreign exchange risk on current commercial transactions. These transactions are carried out in countries where the risk of currency fluctuations is low. As a result, no foreign exchange hedges were contracted for commercial transactions.

b- Interest rate risk exposure

The Group's financial income is sensitive to changes in interest rates. Indeed, part of its debt is at variable rates. The Group's income statement may be affected by fluctuations in euro zone interest rates. The Group sets up interest rate hedges to limit its exposure.



c- Common principles relating to hedging instruments

The instruments used are limited to interest rate swaps, future rate agreements and purchases of caps and collars to hedge interest rate risk.

They have the following characteristics:

- To be used only for hedging purposes,
- To be treated only with leading French banks,
- Not to present any liquidity risk in the event of a potential reversal.

The use of these financial instruments, the choice of counterparties and, more generally, the management of exposure to interest rate risk, are the subject of specific reports intended for the management and control bodies of the companies concerned.

d- Accounting methods

The accounting rule in an interest rate hedging relationship is to recognise the change in the fair value of the hedging instrument and that of the item hedged symmetrically in the income statement.

Financial hedging instruments used by the Group are classified as “Financial liabilities at fair value through profit or loss”.

17) Provisions

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, provisions correspond to liabilities that meet the following criteria:

- The amount or maturity is not set precisely, and
- The economic impact is negative for the Group, as this liability is analysed as an obligation of the Group to a third party that is likely or certain to result in an outflow of resources to the benefit of this third party, without consideration at least equivalent expected of it.

Non-current provisions are not linked to the companies’ normal operating cycle. They mainly include:

- Employee benefits: provisions are recorded for end-of-career benefits to be received by employees on the day of their retirement. The measurement of retirement benefit obligations complies with IAS 19.

In the case of defined-benefit plans relating to post-employment benefits, the cost of the benefits is estimated using the projected unit credit method.

This method is based on the benefits that will be paid to employees at the probable time of their retirement, taking into account the age pyramid, the staff turnover rate and the survival rate determined from the official tables by age bracket. The amounts obtained are revalued according to inflation and promotion assumptions and discounted to take into account the date on which the benefits will actually be paid.

Provisions are discounted when the time effect is significant.

The Group also records a commitment related to the personal protection contracts of which the employees of SQLI Suisse benefit. Due to the legal guarantee of the minimum interest rate to be paid to employees and the conversion rate, the Swiss provident institutions are considered as defined benefit plans under IAS 19.



Benefit commitments are therefore calculated in accordance with the provisions of this standard on the basis of actuarial methods and information such as the structure of the workforce, employee turnover and salary growth assumptions.

- Provisions intended to cover litigation, disputes and foreseeable contingencies of the Group's activities at more than one year.

Current provisions are linked to the normal operating cycle of the Group's business. They mainly include:

- Provisions for losses on completion of contracts: these concern contracts in progress and are measured on a case-by-case basis without offsetting, and
- Provisions intended to cover litigation, disputes and foreseeable contingencies of the Group's activities due in less than one year.

18) Risk factors

Operational risks are described in section I - c) of the management report. After a review of these risks by the Company, it considers that there are no other significant risks other than the following:

a- Share price fluctuation

The SQLI share price is highly volatile, as is the case for technology companies.

Any event concerning the stock market, the economic environment, the information technology sector and its growth prospects, a competitor and/or changes in the Group's results may cause significant fluctuations in the share price.

b- Exceptional events and litigation

Provision is made for disputes likely to generate a future outflow of resources for the Group in accordance with IAS 37. To the best of SQLI's knowledge, there is no other litigation, arbitration or exceptional event likely to have or have had in the recent past a significant impact on the financial position, results, activity or assets of the Company and Group.

c- Specific risk: Coronavirus - Covid-19

The Covid-19 health crisis is likely to affect the activity, operating income and financial position of the SQLI Group.

The Group continues to closely monitor the evolution of this epidemic in order to implement all appropriate actions to, as a priority, protect the health of its employees, its customers and all its partners and subcontractors, but also to reduce the economic impacts of this epidemic as much as possible. A dedicated crisis management unit has been set up and remains in constant communication with the various Group entities to assess the situation and take appropriate measures.

19) Company savings plans

As part of a company savings plan (PEE, plan d'épargne entreprise), the Company offers its employees the opportunity to subscribe to a reserved capital increase, at a share value discounted from its stock market price, the shares given in payment subject to a five-year lock-up clause.

In accordance with IFRS 2, the difference between the discounted subscription price paid by the employee and the fair value of the shares acquired constitutes a benefit recognised in personnel expenses.



20) Other non-recurring income and expenses

Presented under current operating income, they represent items of operating income and expenses considered as non-recurring in relation to the Company's current operations. These items are significant and unusual and their classification in non-recurring income is intended to facilitate the reading of the financial statements and the understanding of the Group's current operating performance.

21) Income tax

The income tax expense corresponds to the tax payable by each consolidated tax entity, adjusted for deferred taxes. These are calculated on all temporary differences arising from the difference between the tax base and the consolidated base of assets and liabilities, according to a balance sheet approach with application of the variable carry-forward method and according to a reliable repayment schedule. The tax rate and tax rules used are those resulting from the tax laws in force and which will be applicable when the transactions concerned are unwound.

Deferred tax assets are recognised in the statement of financial position to the extent that it is more likely than not that they will be recovered in subsequent years. Deferred tax assets and liabilities are not discounted.

22) Treasury shares

All treasury shares held by the Group are recorded at their acquisition cost as a deduction from shareholders' equity. The proceeds from the sale of treasury shares are recognised directly as an increase in shareholders' equity, so that any capital gains or losses on disposal do not affect net income for the financial year.

23) Earnings per share

Earnings per share are obtained by dividing earnings by the weighted average number of shares outstanding during the financial year, excluding treasury shares. Diluted earnings per share are obtained by dividing the result by the weighted average number of shares outstanding during the financial year and the weighted average number of shares that would be created following the conversion of convertible instruments into shares and the exercise of stock options granted at the end of the financial year.



Scope of consolidation

Consolidated companies	Head office	31/12/2021		31/12/2020	
		% of control	% of interest	% of control	% of interest
SQLISA	Levallois-Perret (92)	Consolidating company			
SQLI SUISSE SA	Lausanne (Switzerland)	100%	100%	100%	100%
SQLI MAROC SA	Rabat (Morocco)	100%	100%	100%	100%
CLEAR VALUE SAS	Levallois-Perret (92)	100%	100%	100%	100%
SQLI SA (LUXEMBOURG)	Luxembourg (Lux)	100%	100%	100%	100%
EOZEN FRANCE SAS	Levallois-Perret (92)	100%	100%	100%	100%
ICONEWEB MULTIMEDIA MAROC SARL	Casablanca (Morocco)	100%	100%	100%	100%
SQLI BELGIUM SA	Diegem (Belgium)	100%	100%	100%	100%
SQLI SA	Strassen (Luxembourg)	100%	100%	100%	100%
ASTON INSTITUT SARL	Levallois-Perret (92)	100%	100%	100%	100%
SQLI DIGITAL BELGIUM <i>(formerly WAX DESIGN SA)</i>	Sint-Martens-Latem (Belgium)	100%	100%	100%	100%
GEIE ICE	Blagnac (31)	25%	100% ¹	25%	100% ¹
WAX INTERACTIVE SAS	Levallois-Perret (92)	100%	100%	100%	100%
WAX INTERACTIVE LILLE SAS	Levallois-Perret (92)	100%	100%	100%	100%
SQLI LTD	London (United Kingdom)	100%	100%	100%	100%
SQLI PROPRIETARY LTD	Cape Town (South Africa)	Dissolution 05/2021		100%	100%
STAR REPUBLIC AB	Göteborg (Sweden)	100%	100%	100%	100%
OSUDIO HOLDING BV	Heerlen (The Netherlands)	100%	100%	100%	100%
SQLI SERVICES BV <i>(formerly SOFTLUTION NEDERLAND BV)</i>	Eindhoven (The Netherlands)	100%	100%	100%	100%
OSUDIO SOFTLUTION SPAIN SL	Valencia (Spain)	100%	100%	100%	100%
SQLI DANMARK APS <i>(formerly OSUDIO NORDICS APS)</i>	Copenhagen (Denmark)	100%	100%	100%	100%
OSUDIO BELGIUM NV	Diepenbeek (Belgium)	100%	100%	100%	100%
SQLI NEDERLAND BV <i>(formerly OSUDIO NEDERLAND BV)</i>	Amsterdam (The Netherlands)	100%	100%	100%	100%
SQLI DEUTSCHLAND GMBH <i>(formerly OSUDIO DEUTSCHLAND GMBH)</i>	Dortmund (Germany)	100%	100%	100%	100%
CODELUX	Berlin (Germany)	100%	100%	100%	100%
INVENT COMMERCE	Levallois-Perret (92)	100%	100%	100%	100%
SQLI SINGAPORE	Singapore	Disposal 01/2021		100%	100%
OSUDIO SWITZERLAND GMBH	Zurich (Switzerland)	100%	100%	100%	100%
SQLI SPAIN	Barcelona (Spain)	100%	100%	100%	100%
REDBOX DIGITAL LTD	London (United Kingdom)	100%	100%	100%	100%
PAUL LEWIS CREATIVE LTD	London (United Kingdom)	100%	100%	100%	100%
REDBOX DIGITAL ME FZ-LLC	Dubai (United Arab Emirates)	100%	100%	100%	100%
REDBOX DIGITAL LTD	Mauritius	100%	100%	100%	100%

¹ For the activity carried out by SQLI.



Other information on the statement of financial or income statement

Unless otherwise indicated, information is given in thousands of euros.

1) Goodwill

	31.12.2020	Acquisition Disposal	Value adjustment	Impairment for the period	31.12.2021
France	38,844				38,844
International	51,816		-1,461		50,355
Total	90,660		-1,461		89,199

Goodwill is presented on the basis of two CGUs, which correspond to the geographical areas “France” and “International”. They replace the previously used “Digital & Technology (D&T)” and “Commerce & Experience (C&X)” operating segments.

The goodwill of REDBOX was revised downwards by €1.5 million following the re-estimation of the Group’s EBIT for the period 2020 to 2022.

Goodwill is tested for impairment at least once a year on 31 December of each year and whenever there is an indication of impairment. These impairment tests are based on the value in use of each cash-generating unit (CGU), determined on the basis of discounted future cash flows, requiring the use of assumptions and estimates. An impairment loss is recognised if the recoverable amount is lower than the carrying amount. This recoverable amount corresponds to the higher of the fair value net of disposal costs and the value in use. The impairment indicators used by the Group include changes in revenue, operating profitability reflected in operating income and/or the level of employee employment.

The assumptions used for the tests carried out at 31 December 2021 are as follows:

Duration of forecasts:	4 years
Projection methods:	2022: budget basis 2023-2025: average revenue growth rate of 6% per year for France and 8% for International; EBIT rate: steady increase to reach a normative rate in 2025
Discount rate after tax:	10.5% (identical 31/12/2020)
Perpetual growth rate:	1.5% (unchanged at 31/12/2020)

Based on these tests, no impairment was recognised.

Sensitivity tests

The tests performed may be sensitive to a reasonable change in the discount rate or the perpetual growth rate. Thus, they were also carried out in the following cases:

- 1 point decrease in revenue growth assumptions for 2023-2025;
- 1 point decrease in normative EBIT assumptions;
- Combined 1 point decrease in revenue growth assumptions for 2023-2025 and 1 point decrease in normative EBIT assumptions.



In none of these cases, an additional impairment would be recognised.

2) Intangible assets

	31.12.2020	Impact of changes in exchange rates	Changes in scope	Acquisitions Provisions	Disposals Reversals	31.12.2021
Development costs	45	-	-	-	-	45
Software	3,648	3	-	12	-99	3,564
Customer portfolios	5,921	192	-	-	-	6,113
Assets in progress	44	-	-	191	-	235
Gross values	9,658	195	-	203	-99	9,957
Amortisation of research costs	-38	-	-	-7	-	-45
Amortisation of software	-2,854	-3	-	-339	99	-3,097
Amortisation of customer portfolios	-1,841	-28	-	-756	-	-2,625
Net values	4,925	164	-	-899	-	4,190

3) Rights-of-use relating to leasing contracts

Analysis of right-of-use assets by category of underlying assets

	31.12.2020	Adjustment of fair value	Impact of changes in exchange rates	Changes in scope	Acquisitions Provisions	Disposals Reversals	31.12.2021
Furniture	35,711	-3,221	202	-	4,264	-1,466	35,490
IT equipment	4,029	0	69	-	457	-472	4,084
Vehicles	4,813	-78	8	-	1,719	-1,192	5,270
Gross values	44,553	3,299	279	-	6,439	-3,130	44,844
Depreciation, amortisation and impairment							
Furniture	-16,495	-10	-107	-	-5,670	1,466	-20,816
IT equipment	-1,929	-	-47	-	-1,063	472	-2,568
Vehicles	-2,583	25	-5	-	-1,413	1,176	-2,801
Net values	23,546	-3,284	121	-	-1,707	-16	18,659

The Group has reduced the occupancy periods of some of its premises located in Belgium (Diepenbeek), the Netherlands (Amsterdam) and France (Levallois). This resulted in a decrease in the value of the right of use attached to these premises (€3.2 million).

Lease debt items are available in Note 15).

4) Property, plant and equipment

	31.12.2020	Impact of changes in exchange rates	Changes in scope	Acquisitions Provisions	Disposals Reversals	31.12.2021
Buildings	1,135	36	-	-	-	1,171
Technical facilities	104	4	-	-	-	108
Fixtures, furniture and IT equipment	21,049	219	-	1,832	-91	23,009
Gross values	22,288	259	-	1,832	-91	24,288
Amortisation of buildings	-439	-15	-	-46	0	-500
Amortisation of technical facilities	-77	-2	-	-9	0	-88
Amortisation of fixtures, furniture and IT equipment	-12,812	-131	-	-2,204	60	-15,087
Net values	8,960	111	-	-427	-31	8,613



5) Financial assets

	Assets available for sale		Loans and receivables at amortised cost		Total
	Listed equity securities	Unlisted equity securities	Loans and advances	Other financial assets	
Gross value		2	4,303	1,974	6,279
Accumulated impairment losses			-		-
Net value at 31 December 2020	-	2	4,303	1,974	6,279
Changes in scope		-			-
Investments		-	233	204	437
Disposals at the sale value		-		-7	-7
Impact of changes in exchange rates		-		25	25
Gross value		2	4,536	2,196	6,734
Accumulated impairment losses		-	-488		-488
Net value at 31 December 2021		2	4,048	2,196	6,246

Loans and receivables mainly concern loans granted by the Group for the construction effort. They are discounted using the iBOXX Euro Corporate AA 10+ rate (1% at 31 December 2021 versus 0% at 31 December 2020).

Other financial assets represent deposits and guarantees paid in connection with the Group's real estate leases as well as the liquidity contract entered into with ODDO.

6) Trade receivables

	31.12.2021	31.12.2020
Trade receivables	38,384	36,909
Trade receivables sold to the factor not deconsolidated	22,584	15,808
Contract assets	14,436	14,402
Gross value	75,404	67,119
Provisions at beginning of year	-3,716	-3,774
Impact of changes in exchange rates	-25	11
Changes in scope	-	-169
Provisions	-57	-848
Reversals	-	1,064
Closing provisions	-3,798	-3,716
<i>Of which: Provisions for trade receivables</i>	-3,798	-3,716
<i>Provisions on contract assets</i>	-	-
Net value	71,606	63,403

As mentioned in Note 15) Revenue recognition principle section II - Accounting rules and methods, contract assets correspond to services performed but not yet invoiced.

The present value of trade receivables is not different from their carrying value. Their breakdown by maturity (excluding non-performing loans) is as follows:

	31.12.2021	Not expired	Expired	1 - 30 Days	31 - 60 days	61 - 90 days	91 - 180 days	181 - 360 days	361 days and more
Trade receivables	35,046	24,367	10,679	5,673	1,312	1,095	1,026	595	978

Doubtful receivables amount to €3,338,000 and are provisioned in the amount of €2,952,000. In accordance with IFRS 9 and according to the prospective approach of expected credit losses, the Group also recorded a provision of €846,000 at the end of the financial year, bringing the estimated customer risk to €3,798,000 at 31 December 2021.



The Group has adopted a policy of outsourcing the management of its trade receivables for France, covering both the areas of credit insurance, the management of reminders and the refinancing thereof. They are transferred under a factoring agreement.

At 31 December 2021, the amount of receivables sold to the factor and not deconsolidated amounted to €22,584,000. The breakdown by maturity is as follows:

	31.12.2021	Not expired	Expired	1 - 30 Days	31 - 60 days	61 - 90 days	91 - 180 days	181 - 360 days	361 days and more
Trade receivables sold but not deconsolidated	22,584	18,882	3,702	3,026	479	127	-44	110	4

The costs incurred under the factoring agreement are assessed as follows:

	2021	2020
Customer credit insurance and management	210	194
Financial cost of mobilising debt	26	24
Total	236	218

The costs of credit insurance and customer portfolio management are included in current operating income.

7) Other receivables

	31.12.2021			31.12.2020		
	Total	- 1 year	+ 1 year	Total	- 1 year	+ 1 year
Social receivables	1,234	1,234		1,347	1,347	
Tax receivables excluding corporate income tax	11,134	11,134		9,562	9,562	
Guarantee fund with the factor	1,034	1,034		777	777	
Prepaid expenses	3,189	3,189		3,693	3,693	
Other receivables	242	242		361	361	
Total	16,833	16,833		15,740	15,740	-

8) Tax assets

	31.12.2021			31.12.2020		
	Total	- 1 year	+ 1 year	Total	- 1 year	+ 1 year
State, research tax credits	2,580		2,580	1,876		1,876
State, CICE	24	24	-	58	34	24
State, corporate tax advances and other tax credits	1,307	1,304	3	1,035	1,035	
Gross value	3,911	1,328	2,583	2,969	1,069	1,900
Opening provision	-	-	-	-2308		-2308
Provisions	-	-	-	-		-
Reversals	-	-	-	2308		2308
Closing provision	-	-	-	-	-	-
Net value	3,911	1,328	2,583	2,969	1,069	1,900

The expenses incurred by the Group in 2021 as part of its research and development programme meeting the eligibility criteria for the research tax credit generated a new tax receivable recognised on the asset side of the statement of financial position for an amount of €2,580,000.

In 2021, the 2020 RTC receivable (€1,876,000) was sold to La Banque Postale in exchange for financing in the amount of €1,806,000.

At 31 December 2021, the amount of the CIR research tax credit and CICE tax credit transferred to La Banque Postale amounted, respectively, to €7,516,000 and €1,514,000, in consideration for an overall financing of €8,711,000. These disposals were considered as deconsolidating and the receivables sold were removed from the statement of financial position.



9) Cash and cash equivalents

	31.12.2021	31.12.2020
Available cash	32,489	39,749
Units of SICAVs, money market and guaranteed mutual funds and term accounts	62	62
Cash and cash equivalents in the statement of financial position	32,551	39,811

The reconciliation between the amount of cash and cash equivalents shown on the statement of financial position and the net cash amount shown in the statement of cash and cash equivalents is as follows:

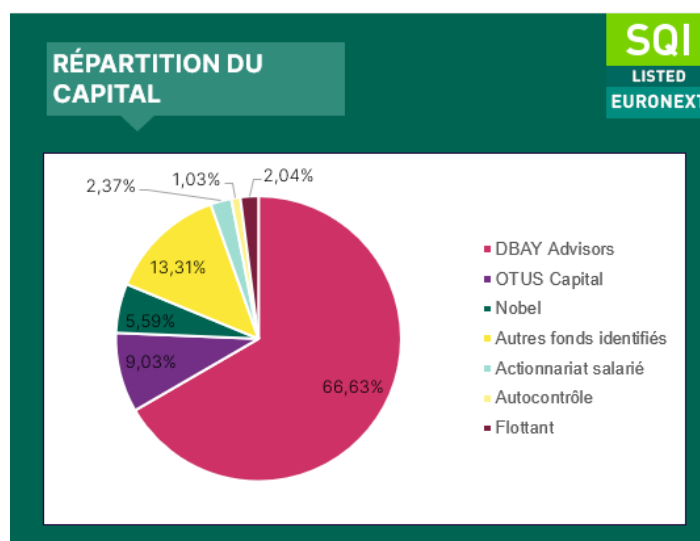
	31.12.2021	31.12.2020
Cash and cash equivalents	32,551	39,811
Bank overdrafts	-82	-1,026
Net cash from cash flow statement	32,469	38,785

10) Capital

At 31 December 2021, the share capital consisted of 4,613,975 shares with a par value of €0.80, of a single class, each fully paid up. No new shares were created during the financial year.

The Company's Articles of Association provide for double voting rights for fully paid-up shares that have been registered for at least three years or for those allocated to shareholders in the event of a capital increase by incorporation of reserves, profits or issue premiums, on the basis of old shares for which they benefit from this right.

Following the takeover bid, the share capital at 16 February 2022 was as follows:



Répartition du capital	Breakdown of share capital
DBAY Advisors	DBAY Advisors
OTUS Capital	OTUS Capital
Nobel	Nobel
Autres fonds identifiés	Other funds identified
Actionnariat salarié	Employee shareholding
Autocontrôle	Treasury shares





Flottant	Float
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11) Dilutive instruments

	Date of issue	31.12.2021		31.12.2020	
		Number of warrants/options outstanding	Number of potential shares	Number of warrants/options outstanding	Number of potential shares
Stock options	22/02/2017	23,067	23,067	23,067	23,067
Free shares	22/02/2017	-	-	17,676	17,676
Stock options	18/10/2017	2,050	2,050	2,050	2,050
Free shares	18/10/2017	-	-	2,358	2,358
Free shares	27/03/2018	-	-	579	579
Free shares	08/03/2021	15,000	15,000	-	-
Free shares	26/05/2021	7,000	7,000	-	-
Free shares	23/08/2021	3,000	3,000	-	-
Total		50,117	50,117	45,730	45,730

The methods for allocating and exercising the plans are described below:

Stock options and free shares (02/2017, 10/2017 and 03/2018)

The Board of Directors of 22 February and 18 October 2017, as well as 27 March 2018 granted 25,117 stock options and 20,613 free shares to members of its salaried workforce and executive corporate officers.

20,613 free shares were definitively allocated on 1 January 2021 at the end of the vesting period via the delivery of 20,613 treasury shares.

The conditions for exercising the stock options are:

- The options must be exercised in 2024 at the latest (7 years);
- They are exercisable from 1 January 2021 at the price of €32.04 (options issued in 02/2017) and €32.2 (options issued in 10/2017).

Free shares (03, 05 and 08/2021)

Following the decisions of the Board of Directors of 5 March 2021, 25,000 free shares were allocated on 8 March, 26 May and 23 August to members of the salaried workforce and company directors, under the following conditions:

- One third of the shares will be vested at the end of a one-year vesting period and will then be subject to a new one-year holding period;
- One third of the shares will be definitively allocated at the end of the vesting period of two years with no holding period;
- One third of the shares will be definitively allocated at the end of the vesting period of three years with no holding period.

The fair value of the free shares awarded in 2021 was estimated at €366,000 at 31 December 2021. This value constitutes an expense for the Group, spread over the entire vesting period of the rights granted, i.e. until 31 December 2024. This expense amounted to €166,000 in 2021 and is included in current income.



12) SQLI treasury shares

Under the terms of the resolution of the Combined General Meeting of 24 June 2021, SQLI reviewed the buyback programme for treasury shares, the objectives of which are, in decreasing order of priority: i) stimulate the market or the share liquidity, ii) purchase for retention and subsequent remittance in exchange or payment as part of possible external growth operations, iii) the allocation of shares to employees and iv) the possible cancellation of these.

This programme expires during the General Meeting called to approve the financial statements for the financial ended 31 December 2021. It stipulates a maximum unitary price of €50. It is organised under the liquidity agreement concluded with the ODDO-Natixis group.

	31.12.2021			31.12.2020		
	Number of shares	Unit price	Value	Number of shares	Unit price	Value
Treasury shares held at 1 January	73,555	25,175	1,852	63,151	26,648	1,683
Acquisitions during the period	18,602	25,292	470	11,532	19,058	220
Disposals at the sale value	-24,090	25,056	-604	-1,128	18,943	-21
Allocation of shares to employees	-20,613	-	-	-	-	-
Gains (losses) on disposals			-396			-30
Treasury shares held at 31 December	47,454	27,867	1,322	73,555	25,175	1,852

The remittance of 20,613 treasury shares under the free share plan generated a financial loss of €398,000.

13) Financial debt

	31.12.2021	31.12.2020
Borrowings from credit institutions	39,137	47,555
Guarantees received	48	-
Valuation of interest rate hedging instruments	-	243
Non-current liabilities	39,185	47,798
Borrowings from credit institutions	8,974	5,891
Guarantees received	-	13
Bank overdrafts	82	1,026
Accrued interest not yet due	544	700
Valuation of interest rate hedging instruments	178	50
Current liabilities	9,778	7,680
Total gross financial debt	48,963	55,478
To be deducted:		
Cash and cash equivalents	-32,551	-39,811
Net financial debt (cash and cash equivalents net of debt)	16,412	15,667

Borrowings from credit institutions

In order to secure its financing structure and support its activity during the Covid-19 crisis, the Group negotiated, in May 2020, with its banking pool (BNP, Banque Palatine, Caisse d'Epargne and Société Générale) supported by LCL, a State-Guaranteed Loan (PGE) of €25 million.

In 2021, SQLI decided to extend the duration of the PGE by five years with deferral of the payment of the capital of one year.



Borrowings and financial debts with credit institutions were exclusively taken out in euros.

Bank	Nominal	Available	Duration	Rate for the period	31.12.2020	Subscription.	Rev.	31.12.2021
BPIFrance	€2.5 million	11/2014	7 years	2.84%	750		-500	250
BPIFrance	€2.5 million	11/2014	10 years	4.43%	1,607		-357	1,250
BPIFrance	€5 million	03/2017	7 years	1.57%	3,750		-1,000	2,750
BPIFrance	€2 million	03/2017	7 years	1.79%	1,500		-400	1,100
BNP		03/2017	7 years	EUR 12 + 3.15%	7,864		-	7,864 ¹
BNP	€33 million	05/2017	6 years	EUR 3 + 2% ²	3,731		-1,050	2,681 ³
BNP State-guaranteed loan (PGE)	€25 million	09/2017 05/2020	6 years 1 year	EUR 3 + 2% ² 0.66% ⁵	9,594 24,650	672	-2,700 -	6,894 ⁴ 25,322 ⁶
					53,446	672	-6,007	48,111

The credit agreement of €33 million includes several cases of early repayment including non-compliance with the following financial ratios at 31 December 2021:

- R2 = Net financial debt / consolidated EBITDA < 2.25
- R4 = Net financial debt / Shareholders' Equity < 1

These ratios were met as of 31 December 2021.

As guarantee of its obligations to repay the loans of €33 million, SQLI granted BNP a pledge of all the shares of STAR REPUBLIC and OSUDIO HOLDING BV.

14) Analysis of gross financial debt by maturity

	31.12.2021	31.12.2020
Due in less than one year	8,974	5,891
Due at more than one year and less than five years	39,137	47,555
Due at more than five years	-	-
Total	48,111	53,446

The Group has chosen to maintain the presentation of its financial debt in the statement of financial position in accordance with the maturities negotiated on 31 December 2021, without taking into account the consequences of the takeover bid, described in the Events occurring after the closing and recalled below:

Following the success of the takeover bid, SQLI restructured its debt in February 2022. Debts (syndicated loan, PGE and BPI lines) for a total amount of €49 million were repaid and two new financings were implemented with TIKEHAU: a unitranche financing of €28 million over seven years with flexibility, and a Capex line for €20 million to finance acquisitions. The Group also negotiated an RCF for €10 million with BPI and two of its historical banks (Caisse d'Epargne BPL and Banque Palatine).

¹ €8,000,000 less borrowing costs of €136,000. Repayment in fine in 03/2024.

² Margin set according to the ratio Net Financial Debt / consolidated EBITDA.

³ €2,800,000 less borrowing costs of €119,000. Annual of €1.1 million until 2022 and €1.8 million in 03/2023.

⁴ €7,200,000 less borrowing costs of €306,000. Annual repayment of €2.7 million until 2022 and €4.5 million in 03/2023.

⁵ Average rate within the banking pool.

⁶ State-guaranteed loan (PGE) recorded at its fair value of which €322,000 in interest capitalised as of 31 December 2021.



15) Leases

Analysis of lease liabilities by category of underlying assets

	31.12.2020	Adjustment of fair value	Impact of changes in exchange rates	Asset inflows	Reimbursement	Interest expenses	Terminations	31.12.2021
Furniture	22,918	-3,219	103	4,264	-6,389	494	-	17,677
IT equipment	2,144	-	25	457	-1,105	54	-	1,521
Vehicles	2,263	-53	3	1,719	-1,408	66	-17	2,507
Net values	27,325	-3,272	131	6,440	-8,902	614	-17	21,705

The decrease in the value of the right of use attached to the premises located in Belgium, the Netherlands and France (-€3.2 million) had the effect of reducing the lease liability by the same amount.

16) Interest rate risk management derivatives

a- Interest rate hedging rules

SQLI has taken out three interest rate hedges to protect itself against fluctuations in variable rates over the repayment period of the €33 million loan agreement. The Company has opted for a fixed rate within each hedge.

b- Derivative hedging instruments

The conditions of the derivative instruments related to the management of the outstanding interest rate risk at 31 December 2021 are as follows:

Bank borrowing €33 million			
Start date	30/06/2017	30/06/2017	20/12/2017
Payer of variable rates	BNP	BNP	PALATINE
Variable rate	EURIBOR 12 month	EURIBOR 3 month	EURIBOR 3 month
Fixed/variable rate for SQLI	0.68%	0.44%	0.32%
Notional amounts covered at 31 December			
2021	8,000	4,800	5,200
2022	8,000	3,000	3,250
2023	8,000	-	-
2024	-	-	-
Fair value of instruments at 31/12/2021	-147	-18	-13

In 2021, the change in the fair value of hedging instruments generated income of €114,000 (€69,000 in 2020).

17) Provisions

	2020	Impact of changes in exchange rates	Impact of actuarial gains and losses	Provisions	Reversals used	Unused reversals	2021
Retirement benefits	1,994	-	-124	147	-	-	2,017
Swiss pension policies	1,356	76	537	-	-	-237	1,732
Labour disputes and URSSAF	196	-	-	-	-72	-124	-
Others	258	4	-	43	-	-	305
Long-term provisions	3,805	79	413	190	-72	-361	4,054
Losses on termination	350	9	-	707	-350	-	716
Personal disputes	543	-	-	470	-455	-75	483
Others	118	3	-	100	-121	-	100
Short-term provisions	1,011	12	-	1,277	-926	-75	1,299
Total	4,816	91	413	1,467	-998	-436	5,353



Provisions for risks and charges correspond to the estimated impact on assets of risks, litigation and contentious situations, actual or probable, resulting from the Group's activities. The most significant are analysed below.

Provisions for retirement benefits are analysed in Note 18).

The commitment related to the Swiss protection contracts, considered as defined-benefit contracts under IAS 19, was provisioned in the amount of €1,732,000. This commitment was valued according to the projected unit credit method using the following assumptions:

- Mortality table: BVG 2020;
- Turnover rate: 20% (idem 2020);
- Salary increase rate: 3% (idem 2020);
- Discount rate: 0.25% (0% in 2020);
- Interest rate paid to beneficiaries: 0.65% (0.55% in 2020).

All of the labour disputes relate to the SQLI company disputes with eight employees at 31 December 2021. A provision was made for the risk incurred according to the estimates of the lawyers (€483,000).

SQLI Belgium was notified in December 2017 of a readjustment of €1.2 million in terms of VAT plus €2.5 million in fines and late payment interest, as well as an adjustment to corporate income tax for financial years 2011 to 2016. In April 2019, the Court of First Instance of Louvain widely tracked SQLI Belgium and its advisors by reducing the initial assessment from €3.7 million to €0.2 million, confirming the total absence of fraud on the part of the company. The residual risk remains provisioned in the amount of €100,000 according to the estimates of the Group's lawyers.

18) Post-employment benefits

Post-employment benefits covered by provisions relate to end-of-career indemnities (IFC) commitments for staff employed in France, which are lump-sum indemnities calculated according to the number of years of service of the employee and of his annual salary at the time of his retirement.

Provisions are calculated on the basis of the following assumptions:

- The estimate is calculated based on the employee's decision to retire;
- The retirement age is fixed at 65 years;
- The mortality table used is that of 2016-2018;
- The annual salary increase is calculated per age range. For each age range, the rate applied is the average of the rates recorded in the Group over the last three years: from 4.1% (20 to 30 years), to 3.4% (from 31 to 40 years), 2.3% (41 to 50 years), 1.4% (51 to 60 years) then constant;
- The discount rate applied is the IboxxCorpAA10+ rate, i.e. 0.98% (0.60% in 2020);
- The turnover rate used only takes into account departures on the initiative of the employee, departures on the initiative of the employer are excluded. Turnover is calculated by age group and for each age group, the rate used is the average of the rates observed in the Group over the last three years: 8.4% (20-24 years old), 28.6% (25-29 years old), 32.0% (30-34 years old), 26.1% (35-39 years old), 19.4% (40-44 years old); 14.5% (45-49 years old); 14.0% (50-54 years); then 3% (55 years old), 2% (56-58 years old), 1% (59-60 years old), 0% (61 years old and over);
- The Group's commitment to its employees is increased by 42% with social security charges.



Provisions for retirement benefits break down as follows:

a- Amounts recognised in the statement of financial position

	31.12.2021	31.12.2020
Accrued expenses (net liability in the statement of financial position)	-2,017	-1,994
Prepaid expenses (net assets on the statement of financial position)	-	-
Net amount recognised in the statement of financial position	-2,017	-1,994

b- Change in commitments during the financial year (liabilities)

	31.12.2021	31.12.2020
Commitment at 1 January	1,994	1,891
Changes in scope	-	-
Change due to changes in assumptions generating actuarial gains and losses	-124	-
Change in items to be recognised in the income statement	147	103
Commitment at 31 December	2,017	1,994

19) Deferred tax

	31.12.2021		31.12.2020	
	Bases	Deferred tax	Bases	Deferred tax
Employee benefits	3,746	747	3,349	754
Tax losses	-	-	3,911	978
Hedging instruments	178	45	292	82
Accelerated depreciation	-2,474	-618	-1,939	-538
Loan issuance costs	-110	-27	-204	-57
Amortisation of customer portfolios	-3,487	-681	-4,092	-807
Tax-free provisions	-596	-84	-613	-88
Cancellation of provisions for impairment of treasury shares	-300	-75	-403	-113
Provisions for impairment of receivables under IFRS 9	845	211	845	236
Restatement of leases under IFRS 16	2,411	593	3,163	861
Others	205	36	-364	-97
Net deferred tax assets (liabilities)		147		1,211
Deferred tax assets		798		1,989
Deferred tax liabilities		-651		-778

At 31 December 2021, the French tax group had accumulated a tax loss carryforward of €28.4 million, of which €11.7 million arising in 2020 as a result of the health crisis and €3.9 million in 2021. SQLI has revised its earnings forecasts for 2022 and the following two years. In particular, the Group anticipates €5 million in exceptional costs related to the takeover bid in 2022 and remains cautious about its ability to absorb these deficits in the following two financial years.

In view of these forecasts, and considering that it is not in a position to reliably estimate the consumption of these losses from 2023, the Group has decided to write back the deferred tax assets on its French tax loss carryforwards for an amount of €978,000.

20) Other non-current liabilities

	31.12.2021	31.12.2020
Valuation of REDBOX purchase options	803	2,862
Other non-current liabilities	803	2,862

The last third of the call options on REDBOX shares is exercisable in 2023 for an estimated price of €803,000.



21) Other liabilities

	31.12.2021	31.12.2020
Advances and deposits received	1,227	1,036
Staff and social organisations	19,411	19,142
State, excluding corporate tax	13,674	13,937
Contract liabilities	18,204	15,201
Other miscellaneous debts	1,417	5,564
Other payables and accruals	53,933	54,880

As mentioned in the accounting principles in Note 15) above, contract liabilities correspond to invoiced services that exceed the services provided and valued on a percentage-of-completion basis.

Other miscellaneous debts concern:

	31.12.2021	31.12.2020
Share of the OSUDIO earn-out payment due within less than one year	-	337
Valuation of OSUDIO call options	-	1,941
Valuation of STAR REPUBLIC call options	-	394
Valuation of CODELUX call options	-	264
Valuation of REDBOX purchase options	705	688
Employee benefits	480	1,540
Directors' fees	-	24
Miscellaneous other payables	232	376
Total Other miscellaneous liabilities	1,417	5,564

The market value of other liabilities is not different from their carrying amount.

The last tier of purchase options on the OSUDIO HOLDING BV securities was exercised at a price of €1,983,000. This price was paid on 08/2021 as consideration for the delivery of 28,734 securities to SQLI.

SQLI bought back the shares held by the minority shareholders of STAR REPUBLIC, i.e. 4.1% of the company's capital for a total amount of SEK 4,173,000 (€413,000), paid in 08/2021.

An agreement was signed with the minority shareholders of CODELUX for the free buyback of 49% of the Company's share capital.

As of 31 December 2021, SQLI held and settled 100% of the shares of OSUDIO HOLDING BV, STAR REPUBLIC and CODELUX.

The first tier of stock options relating to the REDBOX securities was exercised at the price of £525,000 (€626,000). This price was paid in 10/2021 as consideration for the delivery of 1,568 securities to SQLI.

22) Current tax assets

The Group's corporate income tax position is as follows:

On the asset side, receivables totalling €1,328,000 mainly represent interim income tax paid for the financial year. On the liabilities side, taxes due amounted to €1,401,000.

23) Currency rates and foreign exchange risk exposure

The currencies and rates used to translate the financial statements of consolidated subsidiaries are as follows:

Currency	Average rate used in 2021	Rate as of 31.12.2021	Average rate used in 2020	Rate as of 31.12.2020
CHF	1.0814	1.0331	1.0703	1.0802
MAD	10.6413	10.5528	10.8431	10.8848
GBP	0.8600	0.8403	0.8892	0.8990
ZAR	17.5333	17.0114	18.7685	18.0219
SEK	10.1449	10.2503	10.4881	10.0343
SGD	1.6140	1.6121	1.5736	1.6218
AED	4.3449	4.1766	4.1984	4.4867
MUR	49.3621	49.5745	44.9442	48.4960



For its international activities, the Group is mainly exposed to the following foreign exchange risks:

(in thousands of euros)	CHF	MAD	GBP	SEK	AED	MUR	31.12.2021
Goodwill	-	-	5,533	6,030	-	-	11,563
Intangible assets	1	1	2,340	219	-	-	2,560
Right-of-use leases	1,048	2,339	40	236	-	90	3,753
Property, plant and equipment	450	2,823	61	5	4	14	3,357
Financial investments	418	278	28	-	-	-	724
Deferred tax assets	150	43	-	-	-	-	192
Non-current assets A	2,067	5,484	8,001	6,489	4	104	22,149
Trade receivables	15,529	868	4,074	1,256	386	-	22,113
Other receivables	153	6,955	539	165	12	10	7,834
Current tax asset	-	532	51	262	-	-	845
Cash and cash equivalents	6,870	251	1,023	930	652	-	9,726
Current assets B	22,552	8,606	5,686	2,613	1,050	10	40,517
Long-term financial debts	-	-	-	-	-	-	-
Lease obligations at more than one year	603	1,418	-	49	-	53	2,123
Long-term provisions	1,731	207	-	-	-	-	1,938
Deferred tax liabilities	-	-	386	35	-	-	421
Non-current liabilities C	2,334	1,625	386	84	-	53	4,482
Short-term financial debts	-	-	-	-	-	-	-
Lease obligations at less than one year	470	1,149	44	194	-	37	1,894
Short-term provisions	8	4	415	-	-	-	428
Trade payables	655	2,219	823	425	49	-	4,170
Other liabilities	6,914	1,709	2,642	606	-156	236	11,478
Current tax liability	219	547	1	-	-	-	767
Current liabilities D	8,265	5,629	3,925	1,225	-108	-199	18,738
Net position A+B-C-D	14,019	6,835	9,376	7,793	1,162	261	39,446

The Group has not implemented a foreign exchange risk management policy. However, the risk is moderate because SQLI operates mainly in countries with stable currencies.

24) Other income

	31.12.2021	31.12.2020
Research tax credits	2,580	1,876
Covid-related subsidies and aid	-	2,109
Other operating subsidies	252	27
Re-invoicing of fees and other income	35	200
Transfer of expenses	947	823
Total Other income	3,814	5,035

25) Personnel expenses and headcount

	2021	2020
Wages and salaries	96,442	99,869
Social charges	30,657	32,078
Personnel expenses	127,099	131,947
Provision for retirement benefits and other employee benefits	-90	210
Total	127,009	132,157
Average headcount (excluding interns)	2,059	2,181
Number of employees as at 1 January (excluding interns)	2,101	2,191
Changes in scope	-	56
Increase (decrease)	-54	-146
Headcount as at 31 December (excluding interns)	2,047	2,101



26) Compensation allocated to members of the administrative and management bodies

The compensation conditions for the Group's corporate officers are set by the Board of Directors. All compensation and benefits granted to members of the Group's administrative bodies and management are as follows:

	Gross compensation	Social charges	Total 2021	Gross compensation	Social charges	Total 2020
Short-term benefits ¹	1,016	396	1,412	992	354	1,346
Directors' fees	120	24	144	140	28	168
Total	1,136	420	1,556	1,132	382	1,514

27) Other transactions with related parties

As in the previous financial year, no transactions were carried out with related parties in 2021.

28) External expenses

	2021	2020
General subcontracting	54,913	46,941
Rentals and rental expenses	1,308	1,650
Maintenance and repairs	2,906	2,196
Insurance premiums	701	783
Miscellaneous documentation	414	363
Fees and external personnel	6,281	5,506
Advertising, public relations	1,378	1,295
Transport of goods	18	25
Travel, missions and receptions	1,272	1,770
Postal and telecommunications costs	1,245	1,208
Banking services	230	257
Other external services	1,466	1,506
Total	72,132	63,500

29) Other non-recurring operating income and expenses

	2021	2020
Restructuring costs	-1,029	-3,179
Business combinations	186	2,886
Other transactions relating to agreements and disputes	-158	-1,293
Effect of changes in estimates	-388	1,889
Total	-1,389	303

The reorganisation and support costs for the takeover bid account for most of the non-recurring expenses for the year (€1 million).

30) Cost of net financial debt

	2021	2020
Income from loans and receivables	-	19
Net income on the sale of marketable securities	-396	-30
Income from cash and cash equivalents	-396	-11
Interest expenses	-1,251	-1,391
Interest expense on lease liabilities	-614	-883
Factoring financing commissions	-26	-25
Interest rate hedging instrument	18	-42
Cost of gross financial debt	-1,873	-2,341
Cost of net financial debt	-2,269	-2,352

Other financial income and expenses break down as follows:

	2021	2020
Exchange rate differences	80	-127
Discounting of long-term loans and debts	-489	49
Other financial income and expenses	-409	-78

¹ "Short-term benefits" refers to the actual compensation, paid holiday, premiums, incentives and benefits in kind.





31) Tax expense

The tax expense or credit breaks down as follows:

	2021	2020
Deferred tax	1,078	1,637
Taxes payable	2,656	3,212
<i>Of which CVAE</i>	<i>564</i>	<i>1,124</i>
Tax expense (credit)	3,734	4,849

a- Tax consolidation

SQLI, the head of the group, and its French subsidiaries CLEAR VALUE, EOZEN France, ASTON INSTITUT, WAX INTERACTIVE and WAX INTERACTIVE LILLE constitute an integrated tax group for the 2020 financial year.

b- Tax proof

	2021	2020
Consolidated income before tax	9,030	5,022
Theoretical tax rate	25%	28%
Theoretical tax expense	2,258	1,406
Effect of permanent differences	-1,628	-345
Impact of consolidation restatements with no impact on tax	4,721	187
Impact of parent/subsidiary rate differentials and variable carryforward	-691	-901
Impact of tax loss carryforwards	931	4,972
Effect of tax base and research tax credits	-1,857	-470
Effective tax expense	3,734	4,849
Effective tax rate	41.4%	96.6%

32) Earnings per share

The numerator used to calculate basic earnings and diluted earnings per share is net income attributable to owners of the parent for the financial year, i.e. €5,297,000.

The weighted average number used in the denominator is 4,562,534 shares for earnings per share and 4,580,106 for diluted earnings per share.

	31.12.2020	Change during the financial year	31.12.2021
Number of shares issued	4,613,975	-	4,613,975
Number of treasury shares	-73,555	26,101	-47,454
Number of shares issued excluding treasury shares	4,540,120	26,101	4,566,521
Average number of shares during the period excluding treasury shares	4,550,123	12,411	4,562,534
Dilutive effects:			
Stock options	-	-	-
Free shares	22,566	-4,994	17,572
Average number of shares after dilution	4,572,689	7,417	4,580,106



Segment information

1) Information by operating segment

From 2021, the operating segments “DT” and “CX” previously analysed by the Group are replaced by the geographical areas “France” and “International”, in accordance with the change of organisation described above.

The financial information relating to the operating segments is prepared according to the same accounting rules and methods as those used for the preparation of the consolidated financial statements.

	31.12.2021			31.12.2020		
	Revenue	Current Operating Income	% Current operating income	Revenue	Current Operating Income	% Current operating income
France	119,100	3,811	3.2%	114,733	-3,659	-3.2%
International	106,281	9,287	8.7%	98,935	10,808	10.9%
Total	225,381	13,098	5.8%	213,668	7,149	3.4%

2) Breakdown of assets by geographical area

	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Goodwill	38,844	50,355	89,199	38,843	51,817	90,660
Intangible assets	683	3,507	4,190	966	3,959	4,925
Right-of-use leases	9,676	8,983	18,659	14,173	9,373	23,546
Property, plant and equipment	3,858	4,755	8,613	3,762	5,198	8,960
Financial investments	5,253	993	6,246	5,433	846	6,279
Other non-current assets	2,583	-	2,583	1,900	-	1,900
Deferred tax assets	571	227	798	1,796	193	1,989
NON-CURRENT ASSETS	61,467	68,820	130,286	66,873	71,386	138,259
Trade receivables	39,745	31,861	71,606	32,763	30,640	63,403
Other receivables and accrued income	8147	8686	16,833	8354	7,386	15,740
Current tax asset	24	1304	1328	34	1,035	1,069
Cash and cash equivalents	12,940	19,611	32,551	19,186	20,625	39,811
CURRENT ASSETS	60,856	61,462	122,319	60,337	59,686	120,023
TOTAL ASSETS	122,324	130,282	252,605	127,210	131,072	258,282

Commitments not included in the statement of financial position

As part of its activities, the group is required to make a certain number of commitments. Certain commitments are subject to provisions (commitments linked to retirement and other employee benefits, disputes, etc.). Other commitments and liabilities not included in the statement of financial position are listed below.

1) Order book

As of 31 December 2021, the remaining income to be recognised once the performance obligations have been met amounted to €30.6 million (€26.2 million as of 31 December 2020).

These products only concern firm commitments of the “fixed price” or flat-rate type on a fixed scope of functionalities and a contractual budget. All “Time & Materials” type contracts are excluded from this scope.

2) Commitments received

In April 2016, the sellers of the INVENTCOMMERCE Group (SQLI LTD and SQLI PROPRIETARY LTD) granted SQLI an asset and liability guarantee limited to £450,000 for a period of seven years in tax matters, i.e. until 2023. To underwrite the guarantee, €50,000 was paid on an escrow account.



In May 2017, the sellers of the company STAR REPUBLIC granted SQLI an asset and liability guarantee, for all damages exceeding SEK 90,000 individually, and SEK 700,000, cumulatively. This guarantee is limited to SEK 15,000.



It is granted for tax purposes, until the end of the statutory deadline.

In September 2017, the sellers of the company OSUDIO HOLDING BV granted SQLI an assets and liability guarantee, for all damages exceeding €20,000 individually and €140,000 cumulatively. This guarantee is limited to €3,800,000.

It is granted for tax purposes, until the end of the statutory deadline.

In July 2018, the sellers of CODELUX granted OSUDIO DEUTSCHLAND GMBH an asset and liability guarantee for all damages individually exceeding €5,000 and cumulatively €20,000. This guarantee is limited to 100% of the purchase price of the CDLX securities.

It is granted for tax purposes until June 2023.

In March 2020, the sellers of the company REDBOX granted SQLI an asset and liability guarantee, for all damages exceeding €10,000, individually and €50,000 cumulatively. This guarantee is limited to the amount of the sale price paid.

It is granted until 2023 and for a term of seven years for tax purposes until March 2027.

3) Debts guaranteed by security interests

As guarantee of its obligations to repay the loans of €33 million, SQLI granted BNP a pledge of all the shares of STAR REPUBLIC and OSUDIO HOLDING BV.

4) Credit lines confirmed and not used

The Group has three lines of credit of €1 million each with BNP Paribas, Banque Palatine and Caisse d'Epargne as well as a factoring line not used at 31 December 2021 of €22.6 million.

5) Ongoing litigation

Several actions have been brought against Group companies by former employees, by clients or in the context of tax audits. Provisions have been made for the risks estimated by management on the basis of the recommendations of its advisors on these disputes.

The tax dispute concerning SQLI Belgium in terms of VAT (reassessment of €1.2 million plus €2.5 million in fines and late-payment interest) was ruled in April 2019 by the Court of First Instance of Louvain in favour of the company. Although the litigation remains ongoing, the Company's position with respect to this risk remains unchanged as of 31 December 2021.

Statutory Auditors' fees

	2021				2020			
	EXCO ACE		EY		EXCO ACE		EY	
	In € thousands	%	In € thousands	%	In € thousands	%	In € thousands	%
Audit	83	35%	156	65%	82	35%	153	65%
Including Statutory Auditors, certification, review of individual and consolidated financial statements	83	100%	156	100%	82	100%	153	100%
Issuer	72	87%	136	87%	71	87%	133	87%
Fully consolidated subsidiaries	11	13%	20	13%	11	13%	20	13%
Of which Services other than certification of financial statements	0	0%	0	0%	0	0%	0	0%
Other services provided by the networks to fully consolidated subsidiaries	0	0%	0	0%	0	0%	0	0%

The 2021 audit costs amounted to €239,000 for the two firms.



4.2. Statutory Auditors' report on the consolidated financial statements at 31 December 2021

EXCO PARIS ACE
5, avenue Franklin Roosevelt
75008 Paris
S.A.S with capital of €1,660,000
Paris Company and Trade Register 380 623 868

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. with variable capital
Nanterre Trade and Company Register 438 476 913

Statutory Auditors
Member of the compagnie régionale de Paris

Statutory Auditors
Member of compagnie régionale de Versailles et du Centre

SQLI

For the financial year ended 31 December 2021

Statutory Auditors' report on the consolidated financial statements

To the General Meeting of SQLI,

Opinion

In compliance with the mission entrusted to us by your General Meetings, we have audited the consolidated financial statements of SQLI for the year ended 31 December 2021, as attached to this report.

We certify that the consolidated financial statements are, in accordance with IFRS as adopted by the European Union, regular and fair, and give a true and fair view of the results of operations for the past financial year as well as of the financial position and assets, at the end of the financial year, the group consisting of the persons and entities included in the consolidation.

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

Basis of opinion

■ Audit benchmark

We have performed our audit in accordance with the professional standards applicable in France. We believe that the elements that we have collected are sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of this report.

■ Independence

We performed our audit in accordance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for Auditors from the period from 1 January 2021 to the date on which our report was issued, and in particular, we have not provided the services prohibited by article 5, paragraph 1 of (EU) Regulation 537/2014.



Justification of assessments - Key points of the audit

The global crisis linked to the Covid-19 pandemic creates particular conditions for the preparation and audit of financial statements for this financial year. This crisis, and the exceptional measures taken under the health emergency has a number of consequences for companies, in particular on their activity and financing, as well as the uncertainties regarding their outlook. Some of these measures, such as the restrictions on travel and remote working, also had an impact on the internal organisation of companies and on the way in which audits are 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 audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements consolidated financial statements for the financial year, as well as the responses we have provided to these risks.

The assessments thus made were made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed herein. We do not express an opinion on the items of these consolidated financial statements taken in isolation.

■ Recognition of revenue from fixed-price services

Risk identified	Our response
At 31 December 2021, your group's revenue amounted to €225 million.	We reviewed the internal control procedures relating to the after-sales process, the invoicing and recording of the revenue from fixed-price services.
Note II.14 to the consolidated financial statements details the revenue recognition principle. In particular, the revenue from fixed-price services is recognised as work progresses on the basis of costs incurred and outstanding costs.	We tested the key controls put in place, in particular those relating to the costs incurred and the outstanding costs per project.
A provision for losses on completion is recognised when the forecast margin of the fixed-price project is negative.	For a selection of contracts based on quantitative (significant make to stock inventories) and qualitative (contracts that present technical difficulties to carry out or which have abnormal profitability), we have:
We considered the recognition of revenue from fixed-price services to be a key audit matter insofar as the assessment of costs is based on operating assumptions and estimates that have a direct impact on revenue and operating income in the consolidated financial statements.	<ul style="list-style-type: none"> ▶ Analysed the contractual clauses and reconciled the management data with the accounting data; ▶ Assessed the remaining costs and recalculated the progress of the contracts selected; ▶ Compared the margin to date and the end margin and we have compared them with the information provided by management control; ▶ Compared the margins achieved in 2021 with those expected for the last year; ▶ If necessary, assessed the assumptions used by management to determine the losses on completion identified on loss-making contracts.



■ Valuation of goodwill

Risk identified	Our response
<p>At 31 December 2021, goodwill was recorded in the statement of financial position for a net carrying value of €89 million, i.e. 35% of total assets. These assets are tested for impairment at least once a year on 31 December of each year and whenever there is an indication of impairment.</p> <p>This impairment test is based on the value in use of each cash-generating unit (CGU), determined on the basis of discounted future cash flows, requiring the use of assumptions and estimates.</p> <p>Where applicable, an impairment loss is recognised if the recoverable amount is lower than the carrying amount on the statement of financial position. As specified in Note V.1 to the consolidated financial statements, this recoverable amount corresponds to the higher of the fair value net of disposal costs and the value in use.</p> <p>We considered the valuation of goodwill to be a key point of the audit given (i) the weight of these assets in the consolidated statement of financial position and (ii) the importance of management's judgements in determining assumptions about cash flows, discount rates and perpetual growth.</p>	<p>As part of our work, we examined the methods used to implement the impairment tests performed by your company.</p> <p>On the impairment tests of each of the CGUs, we:</p> <ul style="list-style-type: none"> ▶ Reconciled the 2022 forecasts with the budget approved by the Board of Directors; ▶ Compared the achievements of the year with the budgets established the previous year; ▶ Examined the key assumptions used to determine the discounted cash flows; ▶ Assessed, with the assistance of our valuation specialists, the discount rates and perpetual growth rates used in relation to market references; ▶ Studied the sensitivity analyses carried out by management.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by laws and regulations of the information relating to the Group provided in the Board of Directors' management report.

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

We certify that the consolidated statement of non-financial performance provided for in Article L. 225-102-1 of the French Commercial Code is included in the information relating to the Group given in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, the information contained in this statement has not been verified by us as fair or consistent with the consolidated financial statements and must be the subject of a report by an independent third party.



Other verifications or information provided by the legal and regulatory texts

■ Presentation format of the consolidated financial statements intended to be included in the annual financial report

In accordance with professional standards on the statutory auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by the delegated European Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

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

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

■ Appointment of statutory auditors

We were appointed statutory auditors for the SQLI company by your General Meeting of 26 June 2013, for the EXCO PARIS ACE firm and on 20 June 2012 for the ERNST & YOUNG et Autres firm.

At 31 December 2021, the EXCO PARIS ACE firm was in its ninth year of its mission without interruption and the ERNST & YOUNG et Autres firm in its tenth year.

Responsibilities of management and those charged with governance for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements presenting a true and fair view in accordance with the IFRS guidelines as adopted by the European Union and to implement the internal control that it deems necessary for the preparation of consolidated financial statements containing no material misstatements, regardless of whether these are the result of fraud or errors.

When preparing the consolidated financial statements, it is the responsibility of management to assess the Company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and apply the going concern accounting policy, unless it is planned to liquidate the company or cease its activity.

It is the responsibility of the audit committee to monitor the process of preparing the financial information and monitoring the efficacy of the internal control and risk management systems, as well as, where necessary, the internal audit, with regards to the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.



Responsibilities of the Statutory Auditors for the audit of the consolidated financial statements

■ Audit objective and approach

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 as a whole are free from material misstatement. Reasonable assurance provides a high level of assurance, but does not however guarantee that an audit completed in accordance with the professional standard will systematically detect all material misstatements. Misstatements could be a result of fraud or errors and are considered significant when you can reasonably expect that, taken individually or accumulatively, influence the economic decisions that account users take based on this information.

As specified in Article L. 823-10-1 of the French Commercial Code, our work to certify the financial statements is not to guarantee the viability or the quality of the management of our company.

As part of an audit performed in accordance with the professional standards applicable in France, the statutory auditor exercise their professional judgement throughout this audit. In addition:

- ▶ they identify and assess the risks of material misstatement of the consolidated financial statements, regardless of whether these are the result of fraud or error, define and implement audit procedures to address these risks, and collect elements that it considers sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, since fraud could involve collusion, falsification, voluntary omissions, false declarations or bypassing of internal control;
- ▶ they take into consideration the internal control required for the audit in order to define the appropriate audit procedures in the circumstances, and not with the goal of expressing an opinion on the efficacy of the internal control;
- ▶ they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information provided in the consolidated financial statements;
- ▶ they assess the appropriate nature of the application by management of the accounting standard of continuity of operation and, according to the elements collected, the existence or non-existence of significant uncertainties linked to the events where the circumstances likely to call into question the company's capacity to continue operations. This assessment is based on elements collected up to the date of the report, remembering however that subsequent circumstances or events could call into question the continuity of operations. If they conclude that a material uncertainty exists, it draws the attention of the readers of its report to the information provided in the consolidated financial statements about this uncertainty or, if such information is not provided or is not relevant, they issue a certification with reservation 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 in such a way as to give a true and fair view;
- ▶ concerning the financial information of the persons or entities included in the scope of consolidation, they collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed thereon.



■ **Report to the audit committee**

We submit to the audit committee a report that presents in particular the scope of the audit work and the work schedule implemented, as well as the conclusions deriving from our work. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with regards to procedures relating to the preparation and processing of accounting and financial information.

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

We also provide the audit committee with the statement provided for in article 6 of (EU) regulation 537/2014 confirming our independence, with regards to the rules applicable in France as fixed in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory auditors. Where applicable, we discuss with the audit committee the risks posed to our independence and the safeguarding measures applied.

Paris-La Défense, 25 March 2022

Statutory Auditors

EXCO PARIS ACE

ERNST & YOUNG et Autres

Emmanuel Charrier

Frédéric Martineau



4.3. Annual separate financial statements at 31 December 2021

I. STATEMENT OF FINANCIAL POSITION

In euros	Net at 31 December 2021	Notes	Net at 31 December 2020
ASSETS			
Intangible assets	24,154,522	1	24,279,352
Property, plant and equipment	3,071,930	2	3,764,263
Financial investments	83,894,643	3	81,383,051
NON-CURRENT ASSET	111,121,095		109,426,666
Trade receivables	27,184,857	4	22,953,048
Other receivables	31,791,999	5	27,782,983
Available cash	12,673,139	7	18,962,078
Prepaid expenses	2,471,394	8	2,580,042
CURRENT ASSETS	74,121,389		72,278,151
Translation differences - assets	2,856		11,331
TOTAL ASSETS	185,245,340		181,716,148
LIABILITIES			
Capital	3,691,180		3,691,180
Issue, merger and contribution premiums	46,959,181		46,959,181
Legal reserve	354,128		354,128
Regulated reserve	272,850		272,850
Carry forward	7,713,673		16,108,554
Profit (loss) for the year	-692,540		-8,394,880
REGULATED PROVISIONS	2,198,250	10	1,791,147
EQUITY	60,496,722	9	60,782,160
Provisions for risks	582,585		739,335
Provisions for charges	291,415		380,705
PROVISIONS FOR RISKS AND CHARGES	874,000	11	1,120,040
Borrowings and debts with credit institutions	48,776,956	12	54,500,139
Miscellaneous loans and borrowings	18,048,040	13	17,170,718
Trade payables	21,426,194		16,214,471
Tax and social security liabilities	20,461,322	14	19,711,080
Debt on fixed assets	35,248	15	24,624
OTHER LIABILITIES	3,557,600	16	4,391,508
Prepaid income	11,559,341	18	7,801,408
LIABILITIES	123,864,701		119,813,948
Translation differences - liabilities	9,917		0
TOTAL LIABILITIES	185,245,340		181,716,148

The attached notes are an integral part of the financial statements.



II. INCOME STATEMENT

In euros	Year 2021	Notes	Year 2020
Revenue	112,230,939	19	111,964,401
Capitalised production	190,845	20	0
Operating subsidiaries	24,397		0
Reversals of depreciation, amortisation and provisions	1,154,328	28	1,875,221
Transfer of expenses	702,942	31	1,835,786
Other income	6,954,750	21	5,233,584
<i>OPERATING INCOME</i>	121,258,201		120,908,992
Other purchases and external expenses	54,521,536	22	51,495,356
Taxes and duties	2,888,283	23	4,067,928
Wages and salaries	46,636,662		51,823,755
Social charges	20,103,391		21,591,652
Depreciation, amortisation and provisions:			
- On fixed assets: depreciation and amortisation	1,207,493	1 and 2	1,324,538
- On current assets: allocations to provisions	155,867	28	258,092
- For risks and charges: allocations to provisions	858,519	28	965,999
Other expenses	189,978		149,809
<i>OPERATING EXPENSES</i>	126,561,729		131,677,129
OPERATING PROFIT (LOSS)	-5,303,528		-10,768,137
Finance income	4,339,180		956,185
Financial expenses	2,363,392		1,978,688
FINANCIAL PROFIT (LOSS)	1,975,788	24	-1,022,503
CURRENT PROFIT (LOSS) BEFORE TAX	-3,327,740		-11,790,640
Exceptional income	67,828		2,318,049
Exceptional expenses	544,713		1,048,894
EXCEPTIONAL PROFIT (LOSS)	-476,885	27	1,269,155
INCOME TAX	-3,112,085	29	-2,126,605
NET PROFIT (LOSS)	-692,540		-8,394,880

The attached notes are an integral part of the financial statements.



III. APPENDIX

A. ACTIVITY

Created in 1990, SQLI is the leading partner to support companies in the digital transformation of their customers' journey and all the internal services impacted by this change. Its unique positioning combining marketing and technology allows it to offer a global response to the challenges of developing sales and notoriety (digital & social marketing, customer experience, connected commerce, data intelligence, etc.) as well as the challenges of productivity and internal efficiency (digitalisation of operations, collaborative enterprise, mobility and connected objects, CRM, etc.).

SQLI is listed on NYSE Euronext Paris compartment C (ISIN FR0011289040).

B. SIGNIFICANT EVENTS OF THE YEAR

During the financial year ended 31 December 2021, SQLI recorded stable revenue of €112.2 million. The company is benefiting from the resumption of investments in digital platforms and in particular in e-commerce on large companies and significant mid-sized companies, its core target market.

With the exception of a downward first quarter still marked by the health crisis, the average growth over the last nine months was around 12% with an excellent performance of the regions and the Training activity. Paris returned to growth in the fourth quarter.

In this context of strong pressure on resources, SQLI launched recruitments in all its agencies and stepped up its policy of finding interns and apprentices. The slight increase in turnover has been controlled and is in line with the sector's good average for the year. It remains far from the very high levels of 2019.

The SQLI Group benefited from the dynamism of its customers, a very good employment rate among its employees and a management of its expenses to significantly improve its profitability, which was severely impacted in 2020 by the health crisis.

However, operating income remained negative in France with a loss of €5.3 million compared to a loss of €10.8 million for the previous financial year.

As of 31 December 2021, SQLI SA had equity of €60.5 million and net financial debt of €48.7 million.

In April 2021, at a time when the exit from the health crisis remained uncertain, SQLI chose to keep its state-guaranteed loan of €25 million and to amortise it over five years even if the Group complied with its banking covenants and reorganised its cash flow by good management of its trade receivables.

Governance:

Since September 2020, the Board of Directors has decided to entrust Philippe Donche-Gay, Chairman of the Group, with the responsibility of CEO to improve the Company's performance.

There is no change in the distribution of capital in 2021. The DBay Advisors fund remains the reference shareholder of SQLI and the two funds (Otus Capital and Quaero) have retained their stakes.

Nevertheless, on 23 September 2021, DBay Advisors announced the proposed takeover bid for all of the SQLI shares in cash at a price of €30 per share, which rose to €31 before the launch of the offer.

C. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The takeover bid was closed, as noted by the AMF on 1 February 2022, with 65.30% of the shares held and 62.48% of the voting rights. Following the reopening of the offer, DBay Advisors now holds 66.63% of the share capital and 63.75% of the voting rights of SQLI.





In this context, the SQLI Group has completely refinanced its debts. These (Syndicated Loans and state-guaranteed loans) in the total amount of €49 million were repaid, thanks to a high level of cash and the establishment of a unitranche financing of €28 million with a 7-year with flexibility and a €20 million Capex line to be drawn down to make acquisitions.

The Group also negotiated a €10 million RCF financing line.

The costs of setting up this financing (front fee and early repayment penalties) as well as support during the takeover bid amounted to approximately €5 million.

The e-commerce market remained very dynamic at the beginning of the year.

D. ACCOUNTING RULES AND POLICIES

The annual financial statements have been prepared in accordance with the accounting principles in force in France and applicable as of 8 March 2022, the date on which these financial statements were approved by the Board of Directors.

The accounting conventions are applied in compliance with the principle of prudence, in accordance with the basic assumptions:

- Business continuity,
- Consistency of accounting methods,
- Independence of financial years, and
- The general rules for preparing and presenting annual financial statements.

The basic method used to value the items recorded in the accounts is the historical cost method.

Change in accounting method

There was no change in accounting method during the financial year.

The main methods used to close the financial statements are as follows:

a- Intangible assets

Intangible assets are recognised at their acquisition cost.

Goodwill is recognised at acquisition cost excluding ancillary costs, which are expenses for the financial year.

The technical loss generated by the universal transfer of assets of a subsidiary is recorded in intangible assets. It is allocated for accounting purposes to the underlying assets on which the unrealised capital gains were recorded during the universal transfer of assets transactions that generated the technical loss. Where applicable, the residual loss representing losses or “true” loss is recognised in financial expenses.

The technical loss is amortised according to the same rules and under the same conditions as the underlying assets to which it is allocated.

Goodwill and technical losses are subject to an impairment test at least once a year or more frequently if there are indications of impairment.

Research costs are recognised as expenses and development costs are recognised as an asset if they meet the capitalisation criteria provided for by the texts. They consist of personnel costs relating to researchers and operating expenses.

b- Property, plant and equipment



Property, plant and equipment are recognised at their acquisition cost. Pursuant to CRC Regulation No. 2004-06, borrowing costs are not included in the value of fixed assets.



Pursuant to the rules defined by CRC Regulation No. 2002-10, tangible fixed assets are separated into their components with different useful lives. Properties likely to be subject to this explosion have not been identified.

Depreciation is calculated according to the straight-line method (L) on a basis equal to their acquisition cost and over the usual life of the assets:

- General installations: L over 8 years
- IT equipment: L over 2 years
- Office equipment: L over 5 years
- Transport equipment: L over 4 years

c- Equity securities

Equity securities are recognised at their acquisition cost. The additional purchase price is measured and constitutes an element of this acquisition cost.

The acquisition costs of equity interests are spread over five years through the recognition of accelerated depreciation, the starting point of which is the date of acquisition of the shares.

Lastly, at the end of the financial year, the values of the securities are compared with the values in use. The value in use of a security is based on the net assets adjusted for unrealised capital gains and losses, the expected change in earnings and the economic interest of the investment for the Group.

When the value in use is lower than the acquisition cost, a provision is made equal to the difference between the value in use and the acquisition cost.

d- Other financial assets

The 20-year loans granted by the Company in respect of its obligation to the construction effort are discounted according to the 10-year fungible Treasury Bonds (OAT, obligations assimilables du Trésor).

The Company has taken out a liquidity contract in accordance with the AFEI charter in order to foster the liquidity of transactions and regular listing of its securities. The transactions performed on its behalf by the stockbroker company having signed the contract are recorded under financial investments. Due to their unavailability, the cash retained by the financial intermediary constitutes capitalised receivables.

Treasury shares are valued on the basis of the last known stock market price at the end of the financial year.

e- Receivables

Receivables are recognised at their nominal value. Impairment is recorded if there is a risk of non-recovery.

The Group outsources the management of its trade receivables, covering both the areas of credit insurance and the management of reminders and the refinancing thereof. They are transferred under a factoring agreement. With the exception of receivables from foreign customers or customers located in the French overseas departments and territories, 100% of trade receivables are sold to the factor and appear under "Other receivables". This item can be fully mobilised.

Expenses incurred by SQLI as part of research and development programmes that meet the eligibility criteria for the research tax credit generate a tax receivable, which is recognised on the asset side of the statement of financial position, when it is not calculated in whole or part against the tax due for the financial year.



Finally, an intragroup current account agreement between SQLI, the parent company, and the companies with which it has direct or indirect capital ties, giving it control powers, regulates the cash flows resulting from the recurring economic and financial ties existing between them.



In this context, SQLI prepares a statement of current accounts and calculates the interest due on the basis of the average balance achieved during each calendar half-year. The interest rates calculated in this way are capitalised on the last day of the half-year in question.

The interest rate on current accounts is equal to the average of the EURIBOR 12-month rates.

f- Marketable securities

Marketable securities are recognised at the purchase price or at the market price of the last month, whichever is lower. For unlisted securities, if the inventory value is lower than the probable trading value, an impairment loss is recognised. At the end of the financial year, the Company sells and acquires the marketable securities it holds in its portfolio.

g- Cash

A Group domestic cash centralisation agreement was entered into with Société Générale on 23 May 2006. This service centralises the treasury of the companies participating in the agreement in SQLI, the pivotal company.

In this respect, the daily net debit and credit positions of the participating companies (net aggregates) are levelled by the central treasury account and the interest expense and credit calculated on a daily basis based on the centralised position of the Group's cash position.

h- Principle for recognising revenue

Cost-plus services - Revenue from cost-plus services is recognised as and when the service is provided. Services performed but not yet invoiced are recorded as invoices to be prepared.

Fixed-price services - Revenue from fixed-price projects is recognised using the percentage of completion method. Services in progress are valued at the sale price. If the amount of services provided is greater than the amount of services invoiced, the difference is shown in invoices to be issued; otherwise, it is recognised in deferred income.

A provision for losses on completion is recognised when the forecast margin of the fixed-price project is negative.

i- Regulated provisions

These provisions do not correspond to the normal purpose of a provision but are recognised in accordance with legal provisions. They are created according to a mechanism similar to that of the provisions themselves, the granting of a specific tax regime being subject to such accounting.

The Company amortises the acquisition costs of equity interests over five years from the date of acquisition of the equity securities.

j- Provisions for risks and charges

Provisions for risks and expenses are recognised when the risks and expenses are clearly specified as to their purpose but whose realisation is uncertain and that events that have occurred or are in progress make it probable.

k- Foreign currency transactions

Income and expenses in foreign currencies are recorded at their equivalent value in euros during the month of the transaction. Debts, receivables and cash and cash equivalents in foreign currencies are shown in the statement of financial position at their equivalent value in euros at the closing rate. Differences resulting from the conversion at the latter rate are recorded in the balance sheet under "Translation differences". Differences resulting from the translation of cash and cash equivalents in foreign currencies are recorded in the income statement as foreign exchange gains and losses.



l- The Company's tax position with regard to corporate income tax

SQLI is the head of an integrated tax group comprising in 2021 the companies CLEAR VALUE SAS, EOZEN France, WAX INTERACTIVE Lille, WAX INTERACTIVE and ASTON INSTITUT.

Under the terms of the agreements entered into between the consolidated subsidiaries and the parent company, the tax expenses are borne by each of the companies as if they were taxed separately and the tax savings realised by the Group are retained by the parent company.

The Company recognises the current tax expense. Its research, family and apprenticeship tax credits are deducted from the tax expense.

m- Post-employment benefits

Post-employment benefits relate to the end-of-career benefit obligations (IFC) of employees, which are lump-sum payments calculated according to the number of years of service of the employee and his annual salary at the time of retirement. They do not give rise to the recognition of a provision in the financial statements.

E. ADDITIONAL INFORMATION

Unless otherwise indicated, information is given in euros.

1) INTANGIBLE ASSETS

	31.12.2020	Acquisitions Provisions	Disposals Reversals	31.12.2021
Software	3,333,660	200,175		3,533,835
Commercial funds	23,471,498			23,471,498
Gross value	26,805,158	200,175	0	27,005,333
To be deducted: depreciation	2,525,806	325,005		2,850,811
Net value	24,279,352	-124,830	0	24,154,522

Goodwill breaks down as follows:

	31.12.2020	Acquisitions Provisions	Disposals Reversals	31.12.2021
ASTON	8,956,600			8,956,600
ASTON EDUCATION	2,150,492			2,150,492
PROCEA	1,438,183			1,438,183
SYSDEO	5,199,597			5,199,597
<i>Of which:</i>				
<i>NAGORA TECHNOLOGIE goodwill</i>	<i>323,844</i>			<i>323,844</i>
<i>OBJECTIVA goodwill</i>	<i>593,340</i>			<i>593,340</i>
SHAFT	198,200			198,200
AMPHAZ	2,122,553			2,122,553
ICONEWEB	1,407,845			1,407,845
URBANYS	1,524,570			1,524,570
ECLAPS	35,268			35,268
NAGA CONSEIL	437,925			437,925
Others	265			265
Net value of goodwill	23,471,498	0	0	23,471,498





In recent years, SQLI has absorbed the assets of SYSDEO, ASTON, PROCEA, SUDISIM, ICONEWEB, URBANYS, ALCYONIX, NAGA CONSEIL, ASTON EDUCATION, ABCIAL and ECOMMERCE 4U. The activities of these companies are now merged with those of SQLI: it is therefore extremely difficult to identify the revenue or margin from each of these activities. The two main funds (ASTON and SYSDEO) have enabled SQLI to reach critical size (revenue increased from €44 million in 2005 to €74 million in 2006) and to maintain its reference contracts with key account customers in a context of reduction in the number of IT service providers. Therefore, the justification of the value of the goodwill from these companies was tested by the discounted cash flow method applied to the SQLI Company.

For the global valuation approach of the SQLI goodwill, in order to validate the constituent elements, the recoverable values were determined from the projections of the discounted net cash flows, taking into account a terminal value, based on a perpetual growth rate of the income generated by the valued asset. The rate used to discount future cash flows is the weighted average cost of capital before tax. The assumptions used in terms of business growth and terminal values are reasonable and in line with available market data. The main parameters used to establish these projected cash flows are as follows:

- Duration of projections: 4 years (identical to 31 December 2020)
- Discount rate after tax: 10.5%
- Perpetual growth rate: 1.5% (identical to 31 December 2020)

With regard to these tests, no depreciation was recorded at 31 December 2021.

2) PROPERTY, PLANT AND EQUIPMENT

	31.12.2020	Acquisitions Provisions	Disposals Reversals	31.12.2021
General installations & fixtures	5,484,226	109,017		5,593,243
Office & IT equipment	3,171,100	68,340		3,239,440
Furniture	1,546,987	12,798		1,559,785
Works of Art	10,790	0		10,790
Total gross value	10,213,103	190,155	0	10,403,258
To be deducted: depreciation	6,448,840	882,488		7,331,328
Net value	3,764,263	-692,333	0	3,071,930



3) FINANCIAL INVESTMENTS

	31.12.2020	Increases Provisions	Decreases Reversals	31.12.2021	1 year at most	More than one year
Equity securities	69,245,791	3,029,132	43,034	72,231,889		72,231,889
Receivables linked to interests	5,769,276	67,356		5,836,633		5,836,633
Total gross value	75,015,067	3,096,488	43,034	78,068,522	0	78,068,522
To be deducted: provisions	386,001	0	43,034	342,967		342,967
Net value	74,629,065	9,369,828	0	77,725,555	0	77,725,555
Loans	4,176,264	233,353		4,409,617		4,409,617
Deposits and guarantees	1,050,811	51,742	74,418	1,028,135		1,028,135
Treasury shares	1,851,735	445,405	974,758	1,322,382	1,322,382	
Long-term receivables ¹	77,950	597,107	492,135	182,921	182,922	
Other long-term investments	16		0	16		16
Total gross value	7,156,776	1,327,606	1,541,312	6,943,071	1,505,304	5,437,768
To be deducted: provisions	402,791	773,982	402,791	773,982		773,982
Net value	6,753,985	553,624	1,138,521	6,169,088	1,505,304	4,663,786
Total gross value	82,171,843	4,424,094	1,584,346	85,011,593	1,505,304	83,506,289
To be deducted from provisions	788,793	773,982	445,825	1,116,950	0	1,116,950
Net value	81,383,050	9,805,258	4,535,508	83,894,643	1,505,304	82,389,339

¹ Unavailable cash from the liquidity contract.



The main changes concerning equity interests are as follows:

Acquisition of shares through the exercise of call options

The last tier of purchase options on the OSUDIO HOLDING BV securities was exercised at a price of €1,983,000. This price was paid in 08/2021 as consideration for the delivery of 28,734 securities to SQLI.

SQLI bought back the shares held by the minority shareholders of STAR REPUBLIC, i.e. 4.1% of the company's capital for a total amount of SEK 4,173,000 (€413,000), paid in 08/2021.

The first tier of stock options relating to the REDBOX securities was exercised at the price of £525,000 (€626,000). This price was paid in 10/2021 as consideration for the delivery of 1,568 securities to SQLI.

As of 31 December 2021, SQLI held and settled 100% of the shares of OSUDIO HOLDING BV and STAR REPUBLIC and 73.3% of the shares of REDBOX.

Disposal of shares

SQLI decided to cease its activities in Singapore and sell its shares in SQLI Singapore to its manager for €1.

The following impairments are recognised on financial assets:

	31.12.2020	Provisions	Reversals	31.12.2021
Equity securities				
ICONEWEB Morocco	17,968			17,968
SQLI Singapore	43,033		43,033	0
EOZEN SA (Luxembourg)	325,000			325,000
Total	386,001	0	43,033	342,967
Loans ¹	0	473,620	0	473,620
Treasury shares	402,791	300,362	402,791	300,362
Total	788,792	773,982	445,824	1,116,950

Each year, SQLI assesses its subsidiaries using the Discounted Cash Flow (DCF) method. In 2021, it used a perpetual growth rate of 1.5% and a weighted average cost of capital before tax of 10.5%.

With regard to these tests, no depreciation was recorded at 31 December 2021.

Receivables linked to interests

On 30 October 2014, SQLI granted its subsidiary WAX INTERACTIVE an advance of €5,209,970 for the acquisition of the goodwill of LSF INTERACTIVE as well as 100% of the shares in LSF LOYALTY.

This advance bears interest at the annual rate referred to in Article 39-1-3° of the French General Tax Code, corresponding to the annual average of the average effective rates applied by credit institutions for variable-rate loans to companies with an initial term over two years. Interest calculated in 2021 amounted to €67,356 (€67,143 in 2020).

The repayment of this advance is guaranteed by the pledge of WAX INTERACTIVE's goodwill.

¹ Rate used for loan impairment: iBOXX Euro Corporate AA 10+ rate (1% at 31 December 2021 versus 0% at 31 December 2020).



Treasury shares

Under the terms of the resolution of the Combined General Meeting of 24 June 2021, SQLI reviewed the buyback programme for treasury shares, the objectives of which are, in decreasing order of priority: i) stimulate the market or the share liquidity, ii) purchase for retention and subsequent remittance in exchange or payment as part of possible external growth operations, iii) the allocation of shares to employees and iv) the possible cancellation of these.

This programme expires during the General Meeting called to approve the financial statements for the financial ended 31 December 2021. It stipulates a maximum unitary price of €50. It is organised under the liquidity agreement concluded with the ODDO-Natixis group.

	31.12.2021			31.12.2020		
	Number of shares	Unit price	Value (in €)	Number of shares	Unit price	Value (in €)
New treasury shares held at 1 January	73,555	€25.17	1,851,735	63,151	€26.67	1,682,848
Acquisitions during the period	18,602	€25.29	470,488	11,532	€19.06	219,783
Allocation of free shares	-20,613	-	-	-	-	-
Disposals at the sale value	-24,090	€25.06	-603,592	-1,128	€18.94	-21,368
Gains (losses) on disposals	-	-	-396,249	-	-	-29,527
New treasury shares held at 31 December	47,454	€27.86	1,322,382	73,555	€25.17	1,851,735

The remittance of 20,613 treasury shares under the free share plan generated a financial loss of €398,000.

A provision of €300,000 was recognised at 31 December 2021 on the portfolio of treasury shares, as part of the free share allocation plans decided in 2021.

4) TRADE RECEIVABLES

Trade receivables amounted to €20,992,021 at 31 December 2021 and invoices to be issued €5,794,672. Impairment was recorded on doubtful trade receivables (€2,665,422) in the amount of €2,267,258. Trade receivables are due in less than one year.

The breakdown by maturity of trade receivables (excluding non-performing loans) breaks down as follows:

In € thousands	31.12.2021	Not expired	Expired	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more
Trade receivables outside the Group excluding non-performing loans	7,113	6,360	753	363	-103	172	321
Group trade receivables	13,879	5,878	8,001	-968	1,016	492	7,461
Total receivables excluding non-performing loans	20,992	12,238	8,754	-605	913	664	7,782



SQLI uses the services of a factoring company. The costs of outsourced management of trade receivables and their mobilisation are assessed as follows:

	2021	2020
Customer credit insurance and management	185,850	177,314
Financial cost of mobilising debt	25,006	22,588
Total	210,856	199,902

5) OTHER RECEIVABLES

	Gross amount	Depreciation	Net amount	1 year at most	More than 1 year
Personnel and related receivables	9,250		9,250	9,250	
Social security and other social bodies	648,908		648,908	648,908	
State, other local authorities					
Research tax credits	2,579,908		2,579,908		2,579,908
CICE	24,380		24,380		24,380
Recoverable VAT	1,895,047		1,895,047	1,895,047	
IS	3,000		3,000		3,000
Group and partners	6,095,441	-143,244	5,952,197	5,952,197	
Miscellaneous debtors					
Long-term receivables	20,668,429		20,668,429	20,668,429	
Miscellaneous	10,880		10,880	10,880	
Total	31,935,241	-143,244	31,791,999	29,184,711	2,607,288

The SQLI Research Tax Credit (CIR) recorded for 2021 amounted to €2,579,908.

In 2021, the 2020 CIR receivable was sold to La Banque Postale (€1,876,000) in exchange for pre-financing in the amount of €1,806,000.

At 31 December 2021, the amount of the CIR research tax credit and CICE tax credit transferred to La Banque Postale amounted, respectively, to €7,516,000 and €1,514,000, in consideration for an overall financing of €8,711,000.

The current account of ICONWEB Maroc is impaired to the extent of its net negative position at 31 December 2021 (€143,000), as the company's activity has ceased.

6) CHANGES IN PROVISIONS FOR IMPAIRMENT

	31.12.2020	Provisions	Reversals	31.12.2021
Equity securities	386,002		43,034	342,968
Building loans	0	473,620	0	473,620
Treasury shares	402,791	300,362	402,791	300,362
Customers	2,169,636	155,867	58,244	2,267,258
Other receivables	205,480	5,590	67,826	143,244
Total	3,163,910	935,439	571,895	3,527,453



7) CASH AND CASH EQUIVALENTS

	31.12.2021	31.12.2020
Available cash	12,625,647	18,914,586
Shares in money market SICAVs and guaranteed mutual funds	47,492	47,492
Cash and cash equivalents in the statement of financial position	12,673,139	18,962,078

The market value of shares in money market SICAVs and mutual funds was €62,318 at 31 December 2021.

8) PREPAID EXPENSES

Prepaid expenses relating to subcontracted business amounted to €135,929; those relating to leases and other external charges subscribed to €2,335,465.

9) EQUITY

At 31 December 2021, the share capital consisted of 4,613,975 shares (31 December 2020: idem) with a par value of €0.80, each fully paid up.

No new shares were created during the financial year.

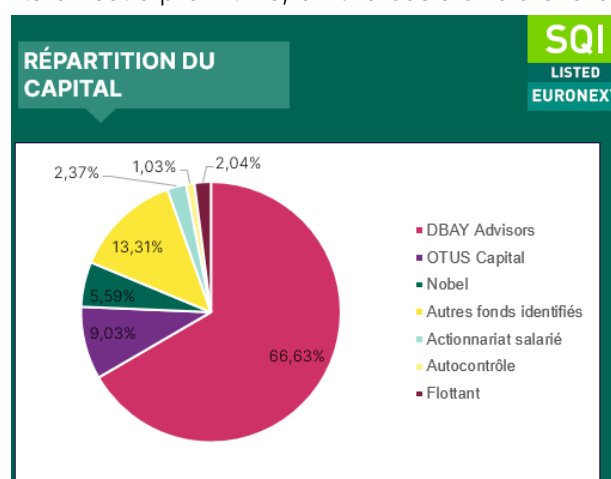
The Company's net position before appropriation of net income for the financial year varied as follows over the period:

	31.12.2020	Increases	Appropriation of income	Net income for the period	31.12.2021
Capital	3,691,180				3,691,180
Issue premium	46,959,181				46,959,181
Legal reserve	354,128				354,128
Unavailable reserve	272,850				272,850
Carry forward	16,108,554		-8,394,880		7,713,674
Profit (loss)	-8,394,880		8,394,880	-692,540	-692,540
Regulated provisions	1,791,147	407,103			2,198,250
Total	60,782,160	407,103	0	-692,540	60,496,722

The Company's Articles of Association provide for double voting rights for fully paid-up shares that have been registered for at least three years or for those allocated to shareholders in the event of a capital increase by incorporation of reserves, profits or issue premiums, on the basis of old shares for which they benefit from this right.

The share capital at 16 February 2022 was as follows:

DBAY Advisors is an international management company based in the Isle of Man with stakes in European growth companies.



Dilutive instruments

	Date of issue	31.12.2021		31.12.2020	
		Number of warrants/options outstanding	Number of potential shares	Number of warrants/options outstanding	Number of potential shares
Stock options	22.02.2017	23,067	23,067	23,067	23,067
Free shares	22.02.2017	-	-	17,676	17,676
Stock options	18.10.2017	2,050	2,050	2,050	2,050
Free shares	18.10.2017	-	-	2,358	2,358
Free shares	27.03.2018	-	-	579	579
Free shares	08.03.2021	15,000	15,000	-	-
Free shares	26.05.2021	7,000	7,000	-	-
Free shares	23.08.2021	3,000	3,000	-	-
Total		50,117	50,117	45,730	45,730

The methods for allocating and exercising the plans are described below:

Stock options and free shares (02, 10/2017 and 03/2018)

The Board of Directors of 22 February and 18 October 2017, as well as 27 March 2018 granted 25,117 stock options and 20,613 free shares to members of its salaried workforce and executive corporate officers.

20,613 free shares were definitively allocated on 1 January 2021 at the end of the vesting period via the delivery of 20,613 treasury shares.

The conditions for exercising the stock options are:

- The options must be exercised in 2024 at the latest (7 years);
- They are exercisable from 1 January 2021 at the price of €32.04 (options issued in 02/2027) and €32.2 (options issued in 10/2017).

Free shares (03, 05 and 08/2021)

Following the decisions of the Board of Directors of 5 March 2021, 25,000 free shares were allocated on 8 March, 26 May and 23 August to members of the salaried workforce and company directors, under the following conditions:

- One third of the shares will be vested at the end of a one-year vesting period and will then be subject to a new one-year holding period;
- One third of the shares will be definitively allocated at the end of the vesting period of two years with no holding period;
- One third of the shares will be definitively allocated at the end of the vesting period of three years with no holding period.



10) REGULATED PROVISIONS

	31.12.2020	Increases Provisions	Decreases Reversals	31.12.2021
Acquisition costs of long-term investments	2,823,539			2,823,539
Accelerated depreciation	-1,791,147	-407,103		-2,198,250
Expenses remaining to be amortised	1,032,392	-407,103	-	625,289

11) PROVISIONS FOR RISKS AND CHARGES

	31.12.2020	Provisions	Reversals prov. used	Reversals prov. not used	31.12.2021
Labour disputes and others	739,335	569,960	527,710	199,000	582,584
Provisions for risks	739,335	569,960	527,710	199,000	582,584
Losses on termination	349,374	288,559	349,374	-	288,559
Foreign exchange losses	11,331	2,856	11,331	-	2,856
Other provisions for expenses	20,000		20,000	-	-
Provisions for charges	380,705	291,415	380,705	199,000	291,415
Total	1,120,040	861,375	908,415	199,000	874,000

All of the labour disputes relate to the SQLI company disputes with eight employees at 31 December 2021. A provision was made for the risk incurred according to the estimates of the lawyers (€483,000).

12) LOANS AND DEBTS WITH CREDIT INSTITUTIONS

	31.12.2021	31.12.2020
Bpifrance Financement loans	5,350,000	7,607,143
Loan BNP financing external growth	18,000,000	21,750,000
State-guaranteed loan (PGE)	25,321,747	25,000,000
Bank overdrafts	9,661	3,585
Accrued interest payable	95,548	139,411
Total borrowings from credit institutions	48,776,956	54,500,139

The Group's management believes that the liquidity risk is limited.

Borrowings from credit institutions

In order to secure its financing structure and support its activity during the Covid-19 crisis, the Group negotiated, in May 2020, with its banking pool (BNP, Banque Palatine, Caisse d'Epargne and Société Générale) supported by LCL, a State-Guaranteed Loan (PGE) of €25 million.

In 2021, SQLI decided to extend the duration of the PGE by five years with deferral of the payment of the capital of one year.

Borrowings and financial debts with credit institutions were exclusively taken out in euros.



Bank	Nominal	Available	Duration	Rate for the period	31.12.2020	Reimbursement subscription	31.12.2021
BPIFrance	€2.5 million	11/2014	7 years	2.84%	750	-500	250
BPIFrance	€2.5 million	11/2014	10 years	4.43%	1,607	-357	1,250
BPIFrance	€5 million	03/2017	7 years	1.57%	3,750	-1,000	2,750
BPIFrance	€2 million	03/2017	7 years	1.79%	1,500	-400	1,100
BNP	€33 million	03/2017	7 years	EUR 12 + 3.15%	8,000	0	8,000
BNP	€33 million	05/2017	6 years	EUR 3 + 2% ¹	3,850	-1,050	2,800
BNP	€33 million	09/2017	6 years	EUR 3 + 2% ¹	9,900	-2,700	7,200
State-guaranteed loan (PGE)	€25 million	05/2020	1 year	0.66% ²	25,000	+322 ³	25,322
					54,357	-5,685	48,672

The credit agreement of €33 million includes several cases of early repayment including non-compliance with the following financial ratios at 31 December 2021:

- R2 = Net financial debt / consolidated EBITDA < 2.25
- R4 = Net financial debt / Shareholders' Equity < 1

These ratios were met as of 31 December 2021.

As guarantee of its obligations to repay the loans of €33 million, SQLI granted BNP a pledge of all the shares of STAR REPUBLIC and OSUDIO HOLDING BV.

13) MISCELLANEOUS BORROWINGS AND FINANCIAL DEBT

These are mainly current accounts with Group companies.

14) TAX AND SOCIAL SECURITY LIABILITIES

	Gross amount	1 year at most	More than 1 year less than 5 years	More than 5 years
Personnel and related receivables	7,852,936	7,852,936		
Social security and other social bodies	5,015,089	5,015,089		
State: IS and VAT	7,101,696	7,101,696		
State: other taxes and duties	-491,601	-491,601		
Total	20,461,322	20,461,322	-	-

¹ Margin set according to the ratio Net Financial Debt / consolidated EBITDA.

² Average rate within the banking pool.

³ €322,000 in interest capitalised as of 31 December 2021.





15) LIABILITIES ON NON-CURRENT ASSETS

	31.12.2021	31.12.2020
Suppliers of non-current assets	35,248	24,624
Or, in total	35,248	24,624

16) OTHER LIABILITIES

	31.12.2021	31.12.2020
OSUDIO earn-out		337,101
Customer discounts and credit notes to be issued	3,039,876	2,390,490
Additional salary, account balances and other personal balances	479,738	1,100,861
ADESATT contribution	11,202	12,570
Closure costs SQLI Singapore		74,000
Other indemnities	26,784	452,886
Directors' fees		23,600
Or, in total	3,557,600	4,391,508

Remittances and credit notes to be issued mainly concern assets to be issued to the EEIG of which SQLI is a member (€2,355,918).

17) EXPENSES PAYABLE INCLUDED IN DEBTS

	31.12.2020	Change	31.12.2021
Accrued interest not yet due	3,585	-3,585	0
Trade payables	4,672,733	-1,180,599	3,492,134
Social debt:			
Provision for paid leave entitlements ¹	4,853,298	-319,480	4,533,818
RTT and holiday bonuses ¹	247,783	-13,351	234,432
Variable bonuses and commissions ¹	1,871,197	1,012,988	2,884,185
Other personnel expenses	13,800	-13,800	0
Disability tax	193,000	3,131	196,131
Tax liabilities:			
TVTS	77,011	-15,669	61,342
Solidarity contribution	194,267	-39,891	154,376
CET	-328,835	320,133	-8,702
Directors' fees	23,600	-23,600	0
Total	11,821,439	-273,723	11,547,716

18) PREPAID INCOME

These are services invoiced in advance, including €11,559,341 of which €7,747,274 for fixed-price projects.

¹ Social security charges included.



19) REVENUE

	France	European Union	Outside the European Union	31.12.2021	31.12.2020
Merchandise sales	0	0	0	0	8,890
Engineering	87,051,508	716,538	2,160,740	89,928,786	90,753,371
Training	6,094,176	0	0	6,094,176	6,509,508
Consulting	16,044,767	21,985	141,225	16,207,977	14,701,522
Total	109,190,451	738,523	2,301,965	112,230,939	111,964,401

20) CAPITALISED PRODUCTION

These are the costs of personnel assigned to development projects for the modernisation of the Group's information system initiated in 2015.

21) OTHER INCOME

They mainly correspond to re-invoicing to subsidiaries in application of Group agreements concerning, in particular, the invoicing of central services and royalties for technology and brand licenses concluded with SQLI Suisse and SQLI Maroc.

22) OTHER PURCHASES AND EXTERNAL EXPENSES

	31.12.2021	31.12.2020
Non-stocked materials	328,550	289,030
Subcontracting	37,280,395	35,242,199
Leasing	231,334	391,712
Rentals and rental expenses	6,300,022	6,589,509
Rental management	757,217	751,201
Maintenance and repairs	2,410,250	1,787,719
Insurance premiums	478,238	546,409
Non-company personnel	167,702	280,244
Fees	4,260,178	3,397,437
Advertising, external relations	669,656	489,255
Travel, missions and receptions	626,419	744,965
Postal and telecommunications costs	366,740	410,438
Banking services	140,033	157,680
TOTAL	54,521,536	51,495,356



23) TAXES AND DUTIES

	31.12.2021	31.12.2020
Apprenticeship tax	329,391	362,595
Continuing professional training	829,680	772,017
CET	778,396	1,332,803
Property taxes	325,613	318,813
Taxes on passenger vehicles	61,342	77,012
Social solidarity contribution	154,376	194,267
Disability contributions	191,735	193,000
Other (including withholding taxes not attributable to corporate income tax)	217,750	817,421
TOTAL	2,888,283	4,067,928

24) NET FINANCE INCOME (EXPENSE)

	31.12.2021	31.12.2020
Finance income		
Interest on current accounts	67,357	67,143
Foreign exchange gains	37,310	87
Reversals of provisions ¹	457,156	428,116
Income from securities	3,726,034	460,839
Other income	51,323	0
Total	4,339,180	956,185
Financial expenses		
Interest on borrowings	916,200	817,850
Interest rate swap	96,373	111,014
Research tax credit transfer commission	70,361	219,006
Interest on factor financing	25,006	22,588
Losses on disposals of marketable securities	447,880	29,528
Miscellaneous	25,145	14,346
Losses from mergers	0	239,374
Provisions ²	782,427	524,982
Total	2,363,392	1,978,688
Net finance income (expense)	1,975,788	-1,022,503

The dividends received by SQLI in 2021 were paid to it by its subsidiaries SQLI Suisse (€2 million), SQLI SA in Luxembourg (€200,000), SQLI Belgium (€650,000), Wax Belgium (€650,000) and OSUDIO Holding (€222,000).

¹ Including €473,620 provision for impairment related to the discounting of loans relating to the construction effort, €402,791 reversal of provision for impairment related to the valuation of treasury shares.

² Including €43,033 in reversal of provision for impairment of SQLI Singapore securities and €67,826 in reversal of provision for impairment of SQLI Singapore current accounts. Treasury shares were written down for an amount of €300,362.



25) EXPOSURE TO FOREIGN EXCHANGE RISK

SQLI has little exposure to foreign exchange risk as the company conducts most of its activity in France and invoices its services in euros. Its currency positions at closing rates are as follows:

	CHF
Assets	-
Liabilities	-192,217
Net positions before management	-192,217
Positions not included on the statement of financial position	-
Net positions after management	-192,217

26) EXPOSURE TO INTEREST RATE RISK**Derivative hedging instruments**

In 2017, SQLI took out three interest rate hedges to protect itself against fluctuations in variable rates over the repayment period of the €33 million loan agreement. The Company has opted for a fixed rate within each hedge.

The conditions of the derivative instruments related to the management of outstanding interest rate risk at 31 December 2021 are as follows:

	Bank borrowing €33 million		
	30/06/2017	30/06/2017	20/12/2017
Start date	30/06/2017	30/06/2017	20/12/2017
Payer of variable rates	BNP	BNP	PALATINE
Variable rate	EURIBOR 12 month	EURIBOR 3 month	EURIBOR 3 month
Fixed/variable rate for SQLI	0.68%	0.44%	0.32%
Notional amounts covered at 31 December:			
2021	8,000,000	4,800,000	5,200,000
2022	8,000,000	3,000,000	3,250,000
2023	8,000,000	-	-
2024	-	-	-
Fair value of instruments at 31/12/2021	-147,000	-18,000	-13,000



27) EXCEPTIONAL INCOME

	31.12.2021	31.12.2020
Reversals of provisions for impairment ¹	67,826	2,308,338
Proceeds from disposal of assets	2	
Reversal of accelerated depreciation ²		9,711
Total Exceptional income	67,828	2,318,049
NAV of non-current assets sold ³	118,091	1,317
Accelerated depreciation charges ¹	407,103	418,893
Closure costs SQLI Singapore	4,114	74,000
Non-compete indemnities		540,502
Miscellaneous	15,405	14,182
Total Exceptional expenses	544,713	1,048,894
Exceptional income	-476,885	1,269,155

28) BREAKDOWN OF PROVISIONS AND REVERSALS ON PROVISIONS

	Provisions	Reversals
Labour disputes, URSSAF and other employees	469,960	726,710
Impairment of trade receivables	155,867	58,244
Commercial disputes	100,000	
Under-occupancy of premises		20,000
Losses on termination	288,559	349,374
Operations	1,014,386	1,154,328
Impairment of equity securities		43,034
Impairment of current accounts	5,590	
Building loans	473,620	
Treasury shares	300,362	402,791
Foreign exchange losses of a financial nature	2,856	11,331
Financial	782,428	457,156
Accelerated depreciation	407,103	
Impairment of current accounts		67,826
Exceptional	407,103	67,826
Total	2,203,917	1,679,310

¹ Reversal of the provision for depreciation of the SQLI SINGAPORE current account.

² Amortisation of capitalised acquisition costs of equity securities.

³ Including capital loss on disposal of shares in SQLI SINGAPORE.



29) INCOME TAX

The tax situation for the 2021 financial year of the companies that are members of the consolidated tax group is as follows:

	Tax result	Research tax credits	Other tax credits
SQLI (head of group)	-6,534,908	2,579,908	
CLEAR VALUE SAS	-5,206		
WAX INTERACTIVE	392,890		
EOZEN France	226,397		
WAX INTERACTIVE Lille	51,061		
ASTON INSTITUT	2,008,214		
Total tax group	-3,861,552	2,579,908	-

The breakdown of tax between current income and non-recurring income is as follows:

	Profit (loss) before tax	Tax	Net income after tax
Current result	-3,259,914	1,681,269	-1,578,645
Exceptional income	-544,711	148,506	-396,206
Impact of tax loss carryforwards		-1,829,774	-1,829,774
Effect of tax consolidation		532,177	532,177
Tax credits for the year		2,579,908	2,579,908
Accounting income	-3,804,625	3,112,085	-692,540

30) CHANGE IN LATENT TAX POSITION

	31.12.2020		Change		31.12.2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I. Certain or possible delays						
Accelerated depreciation		1,032,392	407,103			625,289
II. Temporary non-deductible expenses						
To be deducted the following year:						
Accrued expenses N	194,266			39,890	154,376	
Fees	204,140			79,330	124,810	
Currency translation adjustments	11,331		8,475		2,856	
Total	409,737	1,032,392	415,578	119,220	282,042	625,289
III. Items to be allocated						
Tax loss carryforwards ¹	23,963,637		4,417,168		28,380,805	
Total	23,963,637	0	4,417,168	0	28,380,805	0

¹ Tax loss carryforwards of the consolidated tax group.





31) TRANSFER OF EXPENSES

Type of transfers	31.12.2021	31.12.2020
Benefits in kind	318,127	398,541
Insurance indemnities		40,996
Supplier discounts		120
Protection indemnities	258,904	158,710
Fongecif/Agéfiph grant	26,792	36,165
Partial unemployment	99,119	1,201,254
Total	702,942	1,835,786

32) ELEMENTS CONCERNING RELATED COMPANIES AND EQUITY INVESTMENTS

Positions	AMOUNT CONCERNING COMPANIES	
	Related	With which the company has a shareholding link
Equity investments	72,231,889	
Customers	13,879,128	
Credit notes to be issued	2,355,917	
Current account advances	5,563,264	
Long-term loan	5,836,633	
Suppliers	10,514,868	
Current account debts	17,467,863	
Financial income from equity investments	3,793,390	

33) COMPENSATION OF OFFICERS AND RELATED PARTIES

	Gross compensation	Social charges	2021	Gross compensation	Social charges	2020
Short-term benefits ¹	1,295,430	478,324	1,773,754	991,783	354,380	1,346,163
Directors' fees	120,000	24,000	144,000	140,000	28,000	168,000
Total	1,415,430	502,324	1,917,754	1,131,783	382,380	1,514,163

34) OFF-BALANCE SHEET COMMITMENTS

As part of its activities, SQLI is required to make a certain number of commitments. Certain commitments are subject to provisions (commitments linked to retirement and other employee benefits, disputes, etc.).

Other commitments and liabilities not included in the statement of financial position are listed below.

¹ "Short-term benefits" refers to the actual compensation, paid holiday, premiums, incentives and benefits in kind.



Outstanding commitments in respect of contractual obligations

	Less than one year	One to five years	More than five years	31.12.2021
Premises	3,851,712	4,278,528	0	8,130,240
IT equipment	590,974	373,399	0	963,373
Vehicles	424,196	241,556	0	665,752
Rental income from operating leases	4,866,882	4,893,483	0	9,760,365

a- Commitments received

In April 2016, the sellers of the INVENTCOMMERCE group (SQLI LTD and SQLI PROPRIETARY LTD) granted SQLI an asset and liability guarantee limited to £450,000 for a period of seven years for tax purposes, i.e. until 2023. To underwrite the guarantee, €50,000 was paid on an escrow account.

In May 2017, the sellers of the company STAR REPUBLIC granted SQLI an asset and liability guarantee, for all damages exceeding SEK 90,000 individually, and SEK 700,000, cumulatively. This guarantee is limited to SEK 15,000.

It is granted for tax purposes, until the end of the statutory deadline.

In September 2017, the sellers of the company OSUDIO HOLDING BV granted SQLI an assets and liability guarantee, for all damages exceeding €20,000 individually and €140,000 cumulatively. This guarantee is limited to €3,800,000.

It is granted for tax purposes, until the end of the statutory deadline.

In March 2020, the sellers of the company REDBOX granted SQLI an asset and liability guarantee, for all damages exceeding €10,000, individually and €50,000 cumulatively. This guarantee is limited to the amount of the sale price paid.

It is granted until 2023 and for a term of seven years for tax purposes until March 2027.

b- Debts guaranteed by security interests

As guarantee of its obligations to repay the loans of €33 million, SQLI granted BNP a pledge of all the shares of STAR REPUBLIC and OSUDIO HOLDING BV.

c- Credit lines confirmed and not used

The Group has three lines of credit of €1 million each with BNP Paribas, Banque Palatine and Caisse d'Epargne as well as a factoring line not used at 31 December 2021 of €22.6 million.

35) AVERAGE HEADCOUNT

Categories	31.12.2021	31.12.2020
Managers	855	962
Supervisors, technicians	49	63
Apprentices	22	34
Total	926	1,059

36) POST-EMPLOYMENT BENEFITS

Post-employment benefits relate to the end-of-career indemnities (IFC) commitments for staff employed in France, which are flat-rate indemnities calculated on the basis of the employee's number of years of service and his or her annual salary at the time of his retirement.



The commitment is calculated on the basis of the following assumptions:

- The estimate is calculated based on the employee's decision to retire;
- The retirement age is fixed at 65 years;
- The mortality table used is that of 2016-2018;
- The annual salary increase is calculated per age range. For each age range, the rate applied is the average of the rates recorded in the Group over the last three years: from 4.1% (20 to 30 years), to 3.4% (31 to 40 years), 2.3% (41 to 50 years), 1.4% (51 to 60 years) then constant;
- The discount rate applied is the IboxxCorpAA10+ rate, i.e. 0.98% (0.60% in 2020);
- The turnover rate used only takes into account departures on the initiative of the employee, departures on the initiative of the employer are excluded. Turnover is calculated by age group and for each age group, the rate used is the average of the rates observed in the group over the last three years: 8.4% (20-24 years old), 28.6% (25-29 years old), 32.0% (30-34 years old), 26.1% (35-39 years old), 19.4% (40-44 years old); 14.5% (45-49 years old); 14.0% (50-54 years old); then 3% (55 years old), 2% (56-58 years old), 1% (59-60 years old), 0% (61 years and over);
- The Group's commitment to its employees is increased by 42% with social security charges.

The commitment was valued at €1,989,000, including social security charges.



37) TABLE OF SUBSIDIARIES AND EQUITY INVESTMENTS

Companies	%	Capital	Shareholders' equity other than capital	Carrying amount of securities held		Loans and advances agreed	Guarantees and endorsements granted	Dividends received	Income from the last financial year	Notes
				Gross	Net					
ASTON INSTITUT	100	30,000	7,826,289	30,000	30,000				1,475,949	
EOZEN FRANCE SAS	100	38,120	3,061,600						216,619	Owned by SQLI Luxembourg
CLEAR VALUE SAS	100	85,928	3,634,366	7,405,608	7,405,608	281,854			-5,235	
WAX INTERACTIVE	100	50,000	-1,470,678	50,000	50,000	982,571			389,192	
WAX INTERACTIVE Lille	100	30,000	-33,894	2,388,287	2,388,287	28,468			49,833	
INVENT Retail	51	100,000	-5,136	51,000	51,000	4,302			-2,084	
Total France		334,048	13,012,547	9,924,894	9,924,894	1,297,195	0	0	2,124,274	

Companies	%	Capital	Shareholder s' equity other than capital	Carrying amount of securities held		Loans and advances agreed	Guarantees and endorse- ments granted	Dividends received	Income from the last financial year	Notes
				Gross	Net					
SQLI SUISSE (CHF)	100	96,796	18,615,107	62,871	62,871			2,003,643	3,875,686	
SQLI MAROC (DH)	99.87	47,381	8,505,812	70,576	70,576	3,378,141			1,465,180	
SQLI Luxembourg (€)	100	93,000	273,893					200,000	-13,881	Owned by CV SAS
ICONEWEB MAROC (DH)	100	18,952	-163,321	17,968		368,018 ⁽¹⁾			-1,125	
SQLI BELGIUM (€)	100	62,500	5,541,314	8,464,226	8,464,226			650,000	212,348	
SQLI SA (Luxembourg) (€)	100	124,000	2,647,765	9,169,578	8,844,578				2,875	
SQLI DIGITAL BELGIUM (formerly WAX DESIGN) (€)	100	20,000	2,174,623	771,062	771,062			650,000	377,944	
INVENTCOMMERCE LTD (£)	100	5	-672,785	1,642,176	1,642,176	297,520			-215,446	
STAR REPUBLIC AB (SEK)	95.9	9,756	1,652,245	7,731,377	7,731,377				75,774	
OSUDIO HOLDING BV (€)	90.63	30,661	2,689,155	27,508,501	27,508,501	222,391		222,391	2,631	
SQLI SERVICES BV (formerly SOFTLUTION NEDERLAND BV) (€)	100	18,000	1,309,711						-1,287	Held by OSUDIO HOLDING BV
OSUDIO SOFTLUTION SPAIN SL (€)	100	3,000	1,684,155						355,733	
SQLI DANMARK APS (formerly OSUDIO NORDICS APS) (€)	100	6,653	987,993						226,649	
OSUDIO BELGIUM NV (€)	100	107,000	-93,598						-10,893	
SQLI NEDERLAND BV (formerly OSUDIO NEDERLAND BV) (€)	100	22,885	3,455,277						609,545	Held by OSUDIO HOLDING BV Held by OSUDIO HOLDING BV
SQLI DEUTSCHLAND (formerly OSUDIO DEUTSCHLAND GMBH) (€)	100	27,000	3,769,022						310,236	
OSUDIO SWITZERLAND (CHF)	100	19,359	307,943						134,064	
CODELUX (€)	100	25,200	-40,855						-19,630	Owned by SQLI DEUTSCHLAND
SQLI SPAIN	100	6,000	1,906,910						496,516	Owned by OSUDIO SPAIN
SQLI UK Ltd (formerly REDBOX UK) (£)	73	140	4,774,031	6,868,660	6,868,660				2,179,277	
REDOX DUBAI	100	11,971	1,442,112						291,865	Held by SQLI UK Ltd
REBOX MAURITIUS	100	504	419,011						158,208	Held by SQLI UK Ltd
PAUL LEWIS	100	119	19,146						-2,552	Held by SQLI UK Ltd
Total FOREIGN ⁽²⁾		800,513	61,104,877	62,306,995	61,964,026	4,266,069	0	3,726,034	10,432,529	
Total FRANCE and FOREIGN		1,134,561	74,117,424	72,231,889	71,888,921	5,563,264	0	3,726,034	12,556,806	

(1) Advance provisioned in the amount of €143,244.

(2) Accounts denominated in foreign currencies have been translated at the month-end exchange rate as at 31/12/2021.

4.4. Company results over the last five financial years

Data in euros	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Number of months	12	12	12	12	12
Capital	3,691,180	3,691,180	3,691,180	3,541,278	3,167,630
Number of ordinary shares	4,613,975	4,613,975	4,613,975	4,426,597	3,959,538
Maximum number of shares to be created (no subscription rights)	50,117	250,394	250,394	250,394	556,328
Operations and results					
Revenue excluding taxes	112,230,939	111,964,401	148,114,187	148,373,980	148,288,424
Income before tax, profit-sharing, provisions; Depreciation and provisions	-2,072,524	11,650,368	-2,700,740	- 846,433	-3,573,168
Income tax	-3,112,085	-2,126,605	- 3,185,275	-2,888,309	-2,180,914
Depreciation and provisions	1,732,101	-1,128,883	2,882,839	1,625,110	3,067,135
Net income	-692,540	-8,394,880	-2,398,304	384,315	-4,459,389
Distributed earnings					3,417,734
Earnings per share					
Profit after tax, profit-sharing, before provisions for depreciation, provisions	0.23	-2.06	0.11	0.46	-0.35
Profit (loss) after tax, profit-sharing, provisions for depreciation	-0.15	-1.82	-0.52	0.09	-1.13
Dividend allocated	-	-	-	-	0.80
Staff					
Average number of employees	926	1,059	1,122	1,284	1,419
Payroll	46,636,661	51,823,755	60,332,548	60,726,284	66,258,221
Amounts paid in social benefits (social security, social works, etc.)	20,103,391	21,591,652	26,408,063	26,965,179	28,585,950

4.5. Statutory Auditors' report on the parent company financial statements at 31 December 2021

EXCO PARIS ACE
5, avenue Franklin Roosevelt
75008 Paris
S.A.S with capital of €1,660,000
Paris Company and Trade Register 380 623 868

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. with variable capital
Nanterre Trade and Company Register 438 476 913

Statutory Auditors
Member of the compagnie régionale de Paris

Statutory Auditors
Member of compagnie régionale de Versailles et du Centre

SQLI

For the financial year ended 31 December 2021

Statutory Auditors' report on the annual financial statements

To the General Meeting of SQLI,

Opinion

In execution of the mission entrusted to us by your General Meetings, we have audited the annual financial statements of the company SQLI relating to the financial year ended 31 December 2021, as attached to this report.

We certify that the annual financial statements are, in accordance with French accounting rules and principles, regular and fair and give a true and fair view of the results of operations for the past financial year as well as the financial position and assets of the company at the end of this financial year.

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

Basis of opinion

■ Audit benchmark

We have performed our audit in accordance with the professional standards applicable in France. We believe that the elements that we have collected are sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of this report.

■ Independence

We performed our audit in accordance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for Auditors from the period from 1 January 2021 to the date on which our report was issued, and in particular, we have not provided the services prohibited by article 5, paragraph 1 of (EU) Regulation No. 537/2014.

Justification of assessments - Key points of the audit

The global crisis linked to the Covid-19 pandemic creates particular conditions for the preparation and audit of financial statements for this financial year. This crisis, and the exceptional measures taken under the health emergency has a number of consequences for companies, in particular on their activity and financing, as well as the uncertainties regarding their outlook. Some of these measures, such as the restrictions on travel and remote working, also had an impact on the internal organisation of companies and on the way in which audits are 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 audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements for the financial year, as well as the responses we have provided to these risks.

The assessments thus made are part of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed before. We do not express an opinion on the elements of these annual financial statements taken in isolation.

■ Recognition of revenue from fixed-price services

Risk identified	Our response
<p>At 31 December 2021, revenue amounted to €112 million.</p>	<p>We reviewed the internal control procedures relating to the after-sales process, the invoicing and recording of the revenue from fixed-price services.</p>
<p>Note II.14 to the parent company financial statements details the revenue recognition principle. In particular, the revenue from fixed-price services is recognised as work progresses on the basis of costs incurred and outstanding costs.</p>	<p>We tested the key controls put in place, in particular those relating to the costs incurred and the outstanding costs per project.</p>
<p>A provision for losses on completion is recognised when the forecast margin of the fixed-price project is negative.</p>	
<p>We considered the recognition of revenue from fixed-price services to be a key audit matter insofar as the assessment of costs is based on operating assumptions and estimates that have a direct impact on revenue, business and operating income in the parent company financial statements.</p>	<p>For a selection of contracts based on quantitative (significant make to stock inventories) and qualitative (contracts that present technical difficulties to carry out or which have abnormal profitability), we have:</p> <ul style="list-style-type: none"> ▶ Analysed the contractual clauses and reconciled the management data with the accounting data; ▶ Assessed the remaining costs and recalculated the progress of the contracts selected;

- ▶ Compared the margin to date and the end margin and we have compared them with the information provided by management control;
- ▶ Compared the margins achieved in 2021 with those expected for the last year;
- ▶ If necessary, assessed the assumptions used by management to determine the losses on completion identified on loss-making contracts.

■ Valuation of equity interests and goodwill

Risk identified	Our response
<p>As of 31 December 2021, goodwill and equity interests are recorded in the statement of financial position for a net carrying amount of €23 million and €78 million respectively. These assets are recognised at their acquisition cost and are subject to an impairment test at the end of the financial year.</p> <p>Impairment is recognised when the value in use is lower than the net carrying amount. As specified in the following notes to the annual financial statements:</p> <ul style="list-style-type: none"> ▶ "D.c "Intangible assets", goodwill are tested for impairment at least once a year or more frequently if there are indications of impairment; ▶ "D.c. Investments in associates", the value in use depends on the net assets adjusted for unrealised capital gains and losses, the expected change in earnings based on the estimated discounted future cash flows and the net asset value and economic interest of the investment. <p>We considered the valuation of these assets to be a key audit matter given the importance of management's judgements in determining cash flow assumptions, discount rates and perpetual growth.</p>	<p>As part of our work, we examined the methods used to implement the impairment tests performed by each company.</p> <p>We performed the following procedures:</p> <ul style="list-style-type: none"> ▶ Analysed the consistency of the key assumptions resulting from the goodwill impairment tests with those used for the valuation of equity investments and goodwill; ▶ Examined the key assumptions used to determine the discounted cash flows; ▶ Assessed, with the assistance of our valuation specialists, the discount rates and perpetual growth rates used.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

■ Information given in the management report and in the other documents on the financial position and the annual financial statements sent to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements sent to the shareholders.

We certify the fair presentation and the consistency with the financial statements of the information relating to payment terms mentioned in Article D. 441-6 of the French Commercial Code.

■ Corporate governance report

We attest that the Board of Directors' report 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 allocated to corporate officers as well as the commitments granted to them, we verified that they were consistent with 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. On the basis of this work, we certify the accuracy and fair presentation of this information.

With regard to the information relating to the elements that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they originated and which were provided to us. Based on this work, we have no matters to report on this information.

■ Other information

In accordance with the law, we have ensured that the various information relating to the acquisition of equity interests and control and to the identity of the holders of the capital or voting rights has been provided to you in the management report.

Other verifications or information provided by the legal and regulatory texts

■ Format of presentation of the annual financial statements intended to be included in the annual financial report

In accordance with professional standards on the statutory auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by delegated European Regulation 2019/815 of 17 December 2018 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, prepared under the responsibility of the Chairman and Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

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

■ Appointment of statutory auditors

We were appointed statutory auditors for the SQLI company by your General Meeting of 26 June 2013, for the EXCO PARIS ACE firm and on 20 June 2012 for the ERNST & YOUNG et Autres firm.

At 31 December 2021, the EXCO PARIS ACE firm was in its ninth year of its mission without interruption and the ERNST & YOUNG et Autres firm in its tenth year.

Responsibilities of management and those charged with governance relating to the annual financial statements

It is the responsibility of management to prepare the annual financial statements that present a true and fair view in accordance with French accounting rules and principles as well as to implement the internal control that it deems necessary for the preparation of the annual financial statements, so that these are free from material misstatement, regardless of whether these are the result of fraud or errors.

When preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and to apply the going concern accounting convention, unless it is planned to liquidate the company or to cease its activity.

It is the responsibility of the audit committee to monitor the process of preparing the financial information and monitoring the efficacy of the internal control and risk management systems, as well as, where necessary, the internal audit, with regards to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the audit of the annual financial statements

■ Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement. Reasonable assurance provides a high level of assurance, but does not however guarantee that an audit completed in accordance with the professional standard will systematically detect all material misstatements. Misstatements could be a result of fraud or errors and are considered significant when you can reasonably expect that, taken individually or accumulatively, influence the economic decisions that account users take based on this information.

As specified in Article L. 823-10-1 of the French Commercial Code, our work to certify the financial statements is not to guarantee the viability or the quality of the management of our company.

As part of an audit performed in accordance with the professional standards applicable in France, the statutory auditor exercise their professional judgement throughout this audit. In addition:

- ▶ they identify and assess the risks of material misstatement of the financial statements, regardless of whether these are the result of fraud or error, define and implement audit procedures to address these risks, and collect elements that they consider sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, since fraud could involve collusion, falsification, voluntary omissions, false declarations or bypassing of internal control;

- ▶ they take into consideration the internal control required for the audit in order to define the appropriate audit procedures in the circumstances, and not with the goal of expressing an opinion on the efficacy of the internal control;
- ▶ they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the disclosures concerning them provided in the annual financial statements;
- ▶ they assess the appropriate nature of the application by management of the accounting standard of continuity of operation and, according to the elements collected, the existence or non-existence of significant uncertainties linked to the events where the circumstances likely to call into question the company's capacity to continue operations. This assessment is based on elements collected up to the date of the report, remembering however that subsequent circumstances or events could call into question the continuity of operations. If they conclude that a material uncertainty exists, they draw the attention of the readers of its report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a certification with reservation or a refusal to certify; and
- ▶ they assess the overall presentation of the annual financial statements and whether the financial statements reflect the transactions and events existing in such a way as to give a true and fair view.

■ Report to the audit committee

We submit to the audit committee a report that presents in particular the scope of the audit work and the work schedule implemented, as well as the conclusions deriving from our work. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with regards to procedures relating to the preparation and processing of accounting and financial information.

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

We also provide the audit committee with the statement provided for in article 6 of (EU) Regulation 537/2014 confirming our independence, with regards to the rules applicable in France as fixed in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where applicable, we discuss with the audit committee the risks posed to our independence and the safeguarding measures applied.

Paris-La Défense, 25 March 2022

Statutory Auditors

EXCO PARIS ACE

ERNST & YOUNG et Autres

Emmanuel Charrier

Frédéric Martineau

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CHAPTER 5. INFORMATION ON THE COMPANY'S CAPITAL

5.1. Capital

5.1.1. Capital amount

5.1.1.1. Amount of subscribed capital

On the date of the filing of the Universal Registration Document, the capital amounted to €3,691,180, divided into 4,613,975 shares with a par value of €0.80; of one single category, each fully paid up.

5.1.1.2. History of capital

The capital of SQLI has not been modified during the 2020 nor the 2021 financial year.

The transactions that took place during the 2019 financial year and that modified the amount of SQLI's capital were as follows:

- Issue of 182,808 shares with a par value of €0.80, as part of a capital increase of €146,246.40 resulting from the exercise of warrants, recognised by the Chief Executive Officer in his decisions dated 17 September 2019.
- Issue of 4,570 shares with a par value of €0.80, as part of a capital increase of €3,656.00 for the allocation of new free shares, at the rate of one new share for 40 existing shares, recognised by the Chief Executive Officer in his decisions on 17 September 2019.

5.1.2. Shares not representing capital

There are no shares that do not represent capital.

5.1.3. Capital subject to an option or a conditional or unconditional agreement to place it under option

There is no option or conditional or unconditional agreement on SQLI's capital to be placed under option.



5.1.4. Conditions governing any right of acquisition or any obligation attached to the authorised (but not issued) capital or on any undertaking, aimed at increasing the share capital

Please refer to Table 37. section 2.1.3.1. "Information on share capital".

5.1.5. Dilutive instruments

As of 31 December 2021, the total potential dilution is linked to the potential issue of 50,117 new shares, i.e. 1.1% of the post-issue capital. A shareholder who holds 1.00% of the capital of SQLI would hold 0.99% of the capital after the issue of the shares from the dilutive instruments, in the event that he or she holds none.

Please refer to section 2.1.2. "Compensation and benefits in kind and the Say on Pay vote" for the description of the plans.

Table 84. Summary of dilutive instruments

	Date of issue	31/12/2021		31/12/2020	
		Number of warrants/options outstanding	Number of warrants/options outstanding	Number of warrants/options outstanding	Number of potential shares
Purchase options	22/02/2017	23,067	23,067	23,067	23,067
Free shares	22/02/2017	0	0	17,676	17,676
Purchase options	18/10/2017	2,050	2,050	2,050	2,050
Free shares	18/10/2017	0	0	2,358	2,358
Free shares	27/03/2018	0	0	579	579
Free shares	08/03/2021	15,000	15,000		
Free shares	26/05/2021	7,000	7,000		
Free shares	23/08/2021	3,000	3,000		
Total		50,117	50,117	45,730	45,730

5.2. Main shareholders

DBay Advisors, reference shareholder of SQLI since December 2019 with a stake of 29%, decided, on 23 September 2021, to launch a cash takeover bid on all of the company's shares.

This takeover bid was closed, as noted by the AMF on 1 February 2022, with 65.3% of the shares held and 62.5% of the voting rights. Following the reopening of the offer, DBay Advisors now holds 66.6% of the capital and 63.7% of the voting rights of SQLI.

5.2.1. Breakdown of capital and voting rights

Table 85. Breakdown of capital and voting rights

	Filing date of the Universal Registration Document				31/12/2020		31/12/2019	
	Shares	% of capital	Voting rights	% of voting rights	Shares	% of capital	Voting rights	% of voting rights
DBAY Advisors Limited ¹	3,079,875	66.8%	3,079,875	63.2%	1,319,004	28.6%	1,319,004	28.6%
Otus Capital ²	416,485	9.0%	416,485	8.6%	490,544	10.6%	495,073	10.7%
Weinberg Capital ³	232,665	5.0%	232,665	4.7%				
Amiral Gestion ⁴	212,500	4.6%	212,500	4.3%	N/A	N/A	N/A	N/A
Quaero Capital ⁵	0	0.0%	0	0.0%	433,497	9.4%	314,845	6.8%
Executives and members of the Board of Directors during the 2021 financial year	0	0.0%	0	0.0%	0	0.0%	105,265	2.3%
Employee shareholding (PEE)	109,438	2.4%	109,438	2.2%	109,438	2.4%	66,343	1.4%
Treasury shares	47,454	1.0%	0	0.0%	73,555	1.6%	63,151	1.4%
Float	521,113	11.3%	827,229	17.0%	2,187,937	47.4%	2,250,294	48.8%
Total	4,613,975	100.0%	4,872,637	100.0%	4,613,975	100.0%	4,613,975	100.0%

¹ In a letter received on 15 March 2022, the simplified joint stock company Synsion BidCo1 (95 rue La Boétie, 75008 Paris) declared that it had crossed over the threshold of 2/3 of the share capital of SQLI on 9 March 2022, and held 3,079,875 SQLI shares representing the same number of voting rights, i.e. 66.75% of the capital and 63.87% of the voting rights of this company.

² In a letter received on 7 February 2022, Otus Capital Management Limited, acting on behalf of funds, declared that it had crossed below the threshold of 10% of the capital and voting rights of SQLI on 4 February 2022 and held, on behalf of said funds, 416,485 SQLI shares representing the same number of voting rights, i.e. 9.03% of the capital and 8.64% of the voting rights of SQLI.

³ In a letter received on 21 September 2021, Weinberg Capital Partners, acting on behalf of the Nobel fund, declared that it had crossed over the threshold of 5% of the capital of SQLI on 20 September 2021 and held 232,665 SQLI shares representing as many voting rights, i.e. 5.04% of the capital and 4.71% of the voting rights of the Company.

⁴ In a letter received on 2 December 2021, the simplified joint stock company Amiral, acting on behalf of the funds it manages, declared that it had crossed below the threshold of 5% of the capital of SQLI on 30 November 2021 and held, on behalf of said funds, 212,500 SQLI shares representing the same number of voting rights, i.e. 4.61% of the capital and 4.32% of the voting rights of the Company.

⁵ In a letter received on 8 February 2022, the Swiss limited company Quaero Capital, acting on behalf of the funds it manages, declared that it had crossed below the thresholds of 5% of the capital and rights on 4 February 2022, and no longer held any shares of the Company on behalf of said funds.

5.2.1.1. Employee shareholding

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we hereby report to you on the employee shareholding in the capital of SQLI on the last day of the financial year, i.e. on 31 December 2020: 109,438 shares, i.e. 2.4% of the capital.

5.2.2. Agreement that could result in a change of control

There are no shareholders' agreements or other specific agreements relating to the share capital of SQLI or likely to result in a change of control of SQLI.

In addition, the Company specifies in the context of Article L. 225-100-3 of the French Commercial Code that:

- There are no statutory restrictions on the exercise of voting rights and share transfers or clauses of the agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code.
- There are no securities that provide special control rights.
- There are no control mechanisms in the employee shareholding system, when the rights of control are not exercised by the latter.
- There is no agreement between shareholders of which the Company is aware that could result in restrictions on the transfer of shares or the exercise of voting rights.
- The rules applicable to the appointment and replacement of members of the Board of Directors as well as to the amendment of the Company's Articles of Association are those provided for by the Articles of Association and by law.
- The Board of Directors has been authorised by the meeting to carry out certain share issues or buybacks. This report contains a summary table of the current delegations granted by the General Meeting to the Board of Directors in the area of capital increases. Please refer to Table 37. section 2.1.3.1. "[Information on share capital](#)".
- There are no agreements concluded by SQLI that would be modified or would cease in the event of a change in control, it being specified that in the event that any third party person outside of the Group (besides manager shareholders), acting alone or in concert, comes to hold more than 30% of the share capital or more than 30% of the voting rights in SQLI, SQLI would be obliged to repay the outstanding borrowings approved under the loan agreement dated 16 March 2017 specified in the Management Report.

5.2.3. Treasury shares and share buyback programme

Under the terms of resolution No. 13 taken by the Combined General Meeting of 25 June 2021, SQLI renewed the programme to buy back its own shares during the 2021 financial year, the objectives of which are described below.

This programme expires at the General Meeting called to approve the financial statements for the year ended 31 December 2022 (and no later than 18 months). It stipulates a maximum unit purchase price of €50 (however, it is specified that in the event of a transaction on the share capital, in particular through the incorporation of reserves and the allocation of free shares, the price indicated above will be adjusted accordingly). It is organised under a liquidity contract entered into with Financière d'Uzès and a contract entered into with CACEIS.

SQLI SA ended the liquidity contract implemented on 1 June 2021 and granted to NATIXIS ODDO BHF SCA. The termination took effect on 22 March 2022 after stock market close. On this date, the following amounts are included in the liquidity account:

- €148,688;
- 2,632 SQLI securities.

Objectives of the share buyback programme

- Market growth of liquidity of the SQLI share under the liquidity contract with an investment services provider;
- Their allocation to employees and directors of the Company and the associated companies, under the conditions and according to the terms by law, in particular as part of profit-sharing, stock options, allocation of free shares or a company savings plan;
- Their allocation upon the exercise of rights attached to securities giving entitlement by redemption, conversion, exchange, presentation of a warrant or in any other manner to existing shares of the Company;
- Their cancellation, subject to the adoption by the General Meeting of the resolution relating to the authorisation to reduce the share capital;
- Retaining them and subsequently remitting them for exchange or as payment in the context of potential external growth transactions;
- The pursuit and achievement of any other purpose authorised or which may come to be authorised by law or recognised or which may come to be recognised as a market practice by the AMF; in such a case, the Company would inform its shareholders by means of a press release;
- The implementation of any other practice that may be permitted or recognised by law or by the AMF or any other objective that complies with the regulations in force.
- Market growth of liquidity of the SQLI share under the liquidity contract with an investment services provider;
- Their allocation to employees and directors of the Company and the associated companies, under the conditions and according to the terms by law, in particular as part of profit-sharing, stock options, allocation of free shares or a company savings plan;
- Their cancellation, subject to the adoption by the General Meeting of the resolution relating to the authorisation to reduce the share capital.

Table 86. Change in treasury shares

Shares	31/12/2021			31/12/2020		
	Number of shares	Unit price (€)	Value in €	Number of shares	Unit price (€)	Value in €
Treasury shares held at 1 January	73,555	25,175	1,852	63,151	27,329	1,703
Acquisitions during the period	18,602	25,292	470	11,532	19,850	169
Disposals at the sale value	-24,090	25,056	-604	-1,128	17,753	-136
Allocation of shares to employees	-20,613					
Gains (losses) on disposals			-396			-53
Treasury shares held at 31 December	47,454	27,867	1,322	73,555	€26,648	1,683

5.2.3.1. Distribution and use of treasury shares within the framework of the various objectives set by the General Meeting

A liquidity contract was entered into on 21 April 2021 with effective implementation on 1 June 2021, with ODDO BHF SCA, for a period of one year renewable by tacit agreement. This liquidity agreement replaces a previous agreement entered into on 26 June 2015 with Financière d'Uzès.

SQLI SA ended the liquidity contract implemented on 1 June 2021 and granted to NATIXIS ODDO BHF SCA. The termination took effect on 22 March 2022 after stock market close. On this date, the following amounts are included in the liquidity account:

- €148,688;
- 2,632 SQLI securities.

The breakdown and use made of treasury shares during the 2020 financial year within the framework of the various objectives set by the General Meeting are as follows:

Table 87. Market growth or liquidity of the SQLI share by an investment services provider

	Held at 1 January 2021	Purchased from 1 January to 31 December 2021	Sold from 1 January to 31 December 2021	Reallocated to other objectives from 1 January to 31 December 2021	Held at 31 December 2021
In number of shares	8,120	18,602	-24,090		2,632
Total cost price in €	200,615	470,488	-601,215		69,889
Weighted average prices (€/share)	24.71	25.29	24.96		26.55

Table 88. Retention and subsequent use in exchange or as payment in the context of potential external growth transactions

	At 1 January 2021	Number of shares purchased from 1 January to 31 December 2021	Number of shares sold from 1 January to 31 December 2021	Number of shares reallocated to other objectives from 1 January to 31 December 2021	Balance or number of shares held at 31 December 2021
In number of shares					
Total cost price in €					
Weighted average prices (€/share)					

Table 89. Allocation to employees and executives of the Company and related companies

	At 1 January 2021	Number of shares purchased from 1 January to 31 December 2021	Number of shares sold from 1 January to 31 December 2021	Number of shares reallocated to other objectives from 1 January to 31 December 2021	Balance or number of shares held at 31 December 2021
In number of shares	65,435		-20,613		44,822
Total cost price in €	1,651,120		-398,327		1,252,794
Weighted average prices (€/share)	25.23		19.32		27.95

Table 90. Cancellation of shares

	At 1 January 2021	Number of shares purchased from 1 January to 31 December 2021	Number of shares sold from 1 January to 31 December 2021	Number of shares reallocated to other objectives from 1 January to 31 December 2021	Balance or number of shares held at 31 December 2021
In number of shares					
Total cost price in €					
Weighted average prices (€/share)					

5.3. Regulated agreements

In accordance with the last paragraph of Article L. 225-37-4, paragraph 2 of the French Commercial Code, we inform you that the Company's Board of Directors authorised, in application of Articles L. 225-38 et seq. of the French Commercial Code, the signing of an agreement called the Tender Offer Agreement between the Company and DBay ("the agreement"), detailing the respective commitments of the Company and DBay as part of the implementation of the takeover bid initiated by DBay and presented in paragraph I "Group activity in 2021".

This agreement is detailed in Section 2.1.3.4. "Agreement(s) entered into by an executive or significant shareholder of the parent company with a subsidiary".

5.3.1. Special report of the Statutory Auditors on related-party agreements and commitments during 2021

EXCO PARIS ACE
5, avenue Franklin Roosevelt
75008 Paris
S.A.S with capital of €1,660,000
Paris Company and Trade Register 380 623 868

ERNST & YOUNG and Others
Tour First
TSA 14444
92037 Paris-La Défense Cedex
SAS with variable capital
Nanterre Company and Trade Register 438 476 913

Statutory Auditors
Member of the Compagnie régionale de Paris

Statutory Auditors
Member of the Compagnie régionale de Versailles et du
Centre

SQLI

For the financial year ended 31 December 2022

Statutory Auditors' special report on related-party agreements

To the General Meeting of SQLI,

In our capacity as statutory auditors to your company's financial statements, we hereby present our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the essential characteristics and procedures as well as the reasons justifying the interest for the company of the agreements of which we have been informed or that we may have discovered in the course of our audit, without having to comment on their usefulness and merits or to seek the existence of other agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to assess the value of entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of the agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with the professional standards of the French National Association of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

Agreements submitted for approval to the General Meeting

a / Agreements authorised and concluded during the past financial year

Pursuant to Article L. 225-40 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 Board of Directors.

► **With DBay Advisors Limited, shareholder holding more than 10% of the voting rights**

1) Tender Offer Agreement

Nature and scope

The Board of Directors of SQLI authorised, pursuant to articles L. 225-38 et seq. of the French Commercial Code, the signing of an agreement called Tender Offer Agreement between the Company and DBay, detailing the respective commitments of the Company and of DBay in connection with the implementation of the takeover bid that would be initiated by DBay.

Terms

The agreement details the different stages of the Bid as well as the respective obligations and commitments of the parties. It states in particular:

A commitment undertaken by the Company not to solicit, initiate or encourage an offer from a person other than DBay relating to the sale or issue of Company shares, it being specified that such a commitment will not prevent the members of the Board of Directors from fulfilling their fiduciary obligations towards the Company and its shareholders in the event of a competing bid;

A commitment of cooperation intended to allow DBay to appoint new representatives to the Company's Board of Directors in the event that the bid is successful;

A commitment undertaken by DBay to propose liquidity agreements to beneficiaries of outstanding stock options and free shares allocated by the Company and which cannot be tendered to the Bid due to unavailability or a retention obligation, according to the financial conditions consistent with the Bid price;

A cooperation commitment aimed at facilitating the finalisation of the financing of the offer and obtaining refinancing from the Group;

The usual commitments undertaken by SQLI in terms of management in the normal course of business;

The usual declarations of the parties relating in particular to the power to conclude the Agreement and, with regards to the Company, the amount of the share capital and the quality of the information provided in the contract.

Reasons justifying the interest of the agreement for the company

This agreement has been motivated by your opinion in the following way

The Board of Directors welcomed the proposed public offer of DBay, which wishes to consolidate its position as a reference shareholder in order to be able to provide more stability and support to the company and its ambition for growth. In this context, the Board of Directors approved the signing of the Agreement.

b / Agreements authorised and concluded since the reporting date

We have been informed of the following agreement, authorised and entered into since the end of the past financial year, which was subject to the prior authorisation of your Board of Directors.

- ▶ **With Synsion Bidco held at approximately 66.73% by DBay Advisors Limited, a shareholder holding more than 10% of the voting rights**

Nature and scope

The Board of Directors of SQLI authorised, in accordance with Articles L. 225-38 et seq. of the French Commercial Code, the signing of an agreement between the Company and Synsion BidCo, detailing the Company's respective commitments and Synsion Bidco as part of the implementation of a support service.

The Agreement was signed on 19 April 2022.

Terms

The agreement details the different stages of the Bid as well as the respective obligations and commitments of the parties. It states in particular:

- Scope of assistance: Merger and Acquisition (M&A) projects:
 - Identification of targets and introduction to sellers,
 - M&A project management,
 - Negotiation and financial structuring of transactions.
- Review and assistance in improving:
 - Internal reporting tools and processes (monthly, quarterly and annual),
 - Commercial tools and processes as well as the commercial strategy,
 - Internal management structures and processes,
 - Group tax structure.
- Duration:
 - The agreement enters into force on the date of signature for an initial period of time until the end of 2022.
 - It may be tacitly renewed per calendar year.

Reasons justifying the interest of the agreement for the company

This agreement has been motivated by your opinion in the following way

The Board of Directors welcomed the assistance agreement for the proposed public offering of this stake by DBay, which wishes to consolidate and provide SQLI with its expertise to improve its performance. In this context, the Board of Directors approved the signing of the Agreement.

Financial conditions

The services will be invoiced at €400/hour excluding VAT within a maximum annual budget of €150,000 (if the service is subcontracted, a markup of 3% will be applied).

Agreements already approved by the General Meeting

We hereby inform you that we have not been informed of any agreement already approved by the General Meeting, the execution of which continued during the past financial year.

Paris and Paris-La Défense, April 25, 2022

Statutory Auditors

EXCO PARIS ACE

ERNST & YOUNG et Autres

Emmanuel Charrier

Frédéric Martineau

5.4. Deeds of incorporation and Articles of Association

5.4.1. Corporate purpose of SQLI - (Article 3 of the Articles of Association)

"The Company's purpose, directly or indirectly, in France and in all countries is:

- Web communication and marketing consulting;
- Website design and ergonomics;
- Consulting for the choice of IT systems and information systems;
- Design and development of computer software;
- Integration and implementation of IT systems;
- Distribution of computer software;
- Computer training; and
- All industrial and commercial operations relating to:
 - The creation, acquisition, rental, lease management of all business assets, leasing, installation and operation of all establishments, business assets, factories, workshops, relating to the one or other of these activities;
- The taking, acquisition, operation or sale of all processes and patents relating to these activities;
- The Company's direct or indirect participation in any financial, real estate or movable property transactions or commercial or industrial undertakings that may be related to the corporate purpose or to any similar or related purpose;
- All operations of any kind contributing to the achievement of this purpose."

5.4.2. Share category

There is only one category of shares for the share capital of SQLI. Each share entitles its holder to a share in the profits and corporate assets proportional to the share of capital that it represents and gives the right to vote and to be represented at General Meetings, under the legal conditions set by the law and the Articles of Association.

The Company's Articles of Association provide for double voting rights for fully paid-up shares that have been registered for at least three years or for those allocated to shareholders in the event of a capital increase by incorporation of reserves, profits or issue premiums, on the basis of old shares for which they benefit from this right.

5.4.3. Conditions that may defer, delay or prevent a change of control

The Company's Articles of Association do not contain any mechanism for delaying, deferring or preventing a change of control.

5.5. Other information about SQLI

5.5.1. Legal and commercial name - Article 2 of the Articles of Association

The Company's corporate name is: SQLI.

In all acts and documents issued by the Company and intended for third parties; the name must be preceded or followed immediately by the words "Société Anonyme", or the initials "SA", and the amount of share capital as well as the SIREN and RCS numbers.

5.5.2. Place of registration and registration number and legal entity identifier

The Company is registered in the Nanterre Trade and Companies Register under number 353 861 909. Its LEI number (legal entity identifier) is as follows: 969500G42GDB5YEC2Q03.

5.5.3. Date of incorporation (Article 1 of the Articles of Association) and term (Article 5 of the Articles of Association)

The Company was incorporated as a limited liability company under a private deed dated 12 March 1990, initially registered in Paris.

The Company exists between the owners of shares created below and all those that may be created subsequently. It is governed by the laws and regulations in force, in particular by the French Commercial Code, as well as by these Articles of Association.

The duration of the Company is set at 99 years from 22 March 1990, the date of its registration in the Trade and Companies Register, except in the case of extension or dissolution.

5.5.4. Other information about SQLI

5.5.4.1. Registered office (Article 4 of the Articles of Association), legal form (Article 1), country of origin, address and telephone number of its registered office and website

The registered office is located at 166, rue Jules Guesde - 92300 Levallois-Perret - France.

The company's website is: www.sql.fr

The telephone number of its registered office is +33 (0)1 85 64 20 20.

The Company was transformed into a Public Limited Company following a decision by the group of shareholders at an Extraordinary General Meeting on 11 September 1995.

The Combined General Meeting of 26 June 2002 adopted the form of a French limited company (société anonyme) with a Management Board and a Supervisory Board.

The Combined General Meeting of 30 June 2008 adopted the form of a Public Limited Company with a Board of Directors.

The information on the website does not form part of this Universal Registration Document, unless such information is incorporated by reference in this Universal Registration Document.

5.5.4.2. Legislation governing the Company's activities

SQLI is a public limited company governed by the laws and regulations in force in France, in particular by the provisions of the French Commercial Code applicable to commercial companies, as well as by the Company's Articles of Association.

5.5.4.3. Financial year - Article 31 of the Articles of Association

"The financial year begins on 1 January and ends on 31 December."

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CHAPTER 6. ADDITIONAL INFORMATION

6.1. Persons responsible, third-party information, expert reports and competent authority approval

6.1.1. Name of the person responsible

Philippe Donche-Gay, Chairman and Chief Executive Officer, is the person responsible for this Universal Registration Document.

Mr Philippe Donche-Gay - Chairman and Chief Executive Officer of SQLI
SQLI - 166, rue Jules Guesde - 92300 Levallois-Perret.

6.1.2. Statement by the person responsible for the Universal Registration Document

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and does not contain any omission likely to alter its scope.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the management report (a cross-reference table of which is presented in Appendix 3 of this Universal Registration Document) presents a true and fair view of the development of the business, results and financial position of the Company and all of the companies included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

Signed in Levallois-Perret, 27 April 2022.

Mr Philippe Donche-Gay - Chairman and Chief Executive Officer of SQLI

6.1.3. Expert reports

No report attributed to a person acting as an expert is included in this document.

6.1.4. Information from third parties

No statement or information from third parties is included in this document.

6.1.5. Approval by the AMF

This Universal Registration Document was filed on 27 April 2022 with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers), as the competent authority under (EU) Regulation 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used for the purposes of a public offering of securities or the admission of securities to trading on a regulated market if it is approved by the French Financial Markets Authority, as well as any amendments thereto, and a securities note and summary approved in accordance with (EU) Regulation 2017/1129.

6.2. Statutory Auditors

6.2.1. Name of Statutory Auditors

6.2.1.1. Statutory Auditors

ERNST & YOUNG et Autres

1-2, place des Saisons
Paris, La Défense 1 - 92400 Courbevoie
Represented by Mr Frédéric Martineau
Date first elected: 20 June 2012
Expiry of term of office: General Meeting called to approve the financial statements for the year ended 31 December 2023
Member firm of the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre

Exco Paris Ace

5, avenue Franklin Roosevelt
75008 Paris
Represented by Mr Emmanuel Charrier
Date first elected: 26 June 2013
Expiry of term of office: General Meeting called to approve the financial statements for the year ended 31 December 2024
Member firm of the Compagnie Régionale des Commissaires aux Comptes de Paris

6.2.1.2. Alternate Statutory Auditors

In accordance with the provisions of Article L. 823-1 of the French Commercial Code, the Company is no longer required to appoint Alternate Statutory Auditors, insofar as the Principal Statutory Auditors are neither a natural person nor a single-member company.

The General Meeting of 27 June 2019 noted that the Statutory Auditors of the Company meet these conditions and decided not to renew and not replace the term of office of Mr François SHOUKRY, Alternate Statutory Auditor, expiring at the end of the General Meeting of 27 June 2019.

6.2.2. Statutory Auditors who have resigned, been dismissed or have not been reappointed

The Company states that no Statutory Auditor has resigned or been dismissed during the last three financial years.

The General Meeting of 27 June 2019, ruling in its ordinary form, having reviewed the report of the Board of Directors, and having noted that the term of office of Mr François SHOUKRY, Alternate Statutory Auditor, expired at the end of the General Meeting, decided not to renew his term of office nor to replace him.

6.3. Documents available to the public and financial calendar

6.3.1. Documents available

Copies of this Universal Registration Document are available free of charge:

- At the registered office of the SQLI Company: Groupe SQLI - 166, rue Jules Guesde - 92300 Levallois-Perret;
- On the Company's website (www.SQLI.com);
- As well as on the website of the French Financial Markets Authority (Autorité des marchés financiers) www.amf-france.org).

During the period of validity of this Universal Registration Document, the documents listed below may be consulted in physical format at the registered office of SQLI:

- The latest updated version of SQLI's deed of incorporation and the Articles of Association;
- All reports, letters and other documents, assessments and statements prepared by an expert at the request of SQLI, a part of which is included or referred to in the Universal Registration Document.

The Company has set up an “investors” section on its website: www.SQLI.com, where regulated information can also be consulted. [Investor area | SQLI](#)

In addition to these regular information channels, the Company would not fail to strengthen its communication policy on the occasion of any significant transaction, or any change in its environment or policy.

Person responsible for financial information



Olivier Stéphan - Deputy Chief Executive Officer in charge of Finance

Groupe SQLI - 166, rue Jules Guesde - 92300 Levallois-Perret

Tel: +33 (0) 1 85 64 20 20

actionnaires@SQLI.com

6.3.2. Financial calendar

Date	Information
12 January 2022	2021 annual revenue
10 March 2022	2021 annual results
23 June 2022	2022 General Meeting
22 September 2022	2022 results of the 1 st half-year

All publications will take place after the close of trading on Euronext in Paris.

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CHAPTER 7. APPENDICES – CROSS-REFERENCE TABLE

7.1. Appendix 1. Cross-reference table with the Universal Registration Document

Chapter 1. Persons responsible, third-party information, expert reports and competent authority approval	Section 6.1. Persons responsible, third-party information, expert reports and competent authority approval
1.1. Name of the person responsible	6.1.1. Name of the person responsible
1.2. Statement by the person responsible	6.1.2. Statement by the person responsible
1.3. Expert reports	6.1.3. Expert reports
1.4. Information from third parties	6.1.4. Information from third parties
1.5. AMF approval	6.1.5. AMF approval
Chapter 2. Statutory Auditors	Section 6.2. Statutory Auditors
2.1. Appointment of Statutory Auditors	6.2.1. Name of Statutory Auditors
2.2. Statutory auditors having resigned, having been dismissed or not having been reappointed	6.2.2. Statutory auditors having resigned, having been dismissed or not having been reappointed
Chapter 3. Risk factors	Section 1.5. Risk factors
Chapter 4. INFORMATION ABOUT THE ISSUER	Section 5.6. Other information about SQLI
4.1. Legal and commercial name	5.6.1. Legal and commercial name
4.2. Place of registration and registration number and legal entity identifier	5.6.2. Place of registration and registration number and legal entity identifier
4.3. Date of incorporation and term	5.6.3. Date of incorporation and term
4.4. Other information about SQLI	5.6.4. Other information about SQLI
Chapter 5. BUSINESS OVERVIEW	Chapter 1. Presentation of the SQLI Group and its activities
5.1. Main activities	1.3. Description of the Group's activities
5.2. Main markets	1.3.7.1. Main markets
5.3. Important events in the development of activities	1.4.4. Trend information
5.4. Strategy and objectives	1.3.7.2. Outlook, strategy and corporate vision
5.5. Degree of dependence of the issuer on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	None.

5.6. Competitive position of the company	1.3.7.3. Group competitive position
5.7. Investments	Section 1.4.2.3. Main investments in progress and financing method / expected sources of funding
Chapter 6. ORGANISATIONAL STRUCTURE	Section 1.2.2. Organisation chart
6.1. Group membership	Section 1.2.2. Organisation chart
6.2. Main subsidiaries	Section 1.2.2. Organisation chart
Chapter 7. REVIEW OF FINANCIAL POSITION AND INCOME	Section 1.4. Analysis of the income statement
7.1. Financial position	Section 1.4. Analysis of the income statement
7.1.1. Operating income and change	Section 1.4. Analysis of the income statement
7.1.2. Probable future development and activities in terms of research and development	Section 1.3.7. Main markets and strategies Section 1.3.6. Innovation and brands
7.2. Consolidated operating income	Section 1.4.1.2. Analysis of results
7.2.1. Operating revenue	Section 1.4.1.2. Analysis of results
7.2.2. Change in revenue	Section 1.4.1.2. Revenue analysis
Chapter 8. Cash and capital	Section 1.4.2. Analysis of the balance sheet, cash and capital
8.1. Consolidated equity	Section 1.4.2.1. Consolidated equity
8.2. Consolidated cash flows	Section 1.4.2.2. Consolidated cash flows
8.3 Financing requirements and financing structure	Section 1.4.2.4. Financing requirements and financing structure
8.4 Possible restriction on the use of capital	Section 1.4.2.6. Possible restriction on the use of capital
8.5. Expected sources of funding	Section 1.4.2.3. Main investments in progress and financing method / expected sources of funding
Chapter 9. REGULATORY ENVIRONMENT	1.5.4. Regulatory risks
9.1. Regulations applicable to SQLI activities	1.5.4. Regulatory risks
Chapter 10. Trend information	Section 1.4.4.
10.1. Main trends	Section 1.4.4.
10.2. Elements likely to influence SQLI's outlook	Section 1.3.7.2.
Chapter 11. PROFIT FORECASTS OR ESTIMATES	SQLI has never published profit forecasts or estimates.
11.1. Past publications of forecasts or estimates	SQLI has never published profit forecasts or estimates.
11.2. New forecast or estimate	SQLI does not wish to publish profit forecasts or estimates.
11.3. Statement relating to the forecast or estimate	Not applicable

Chapter 12. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES	Chapter 2.
12.1. General information	Chapter 2.
12.2. Conflicts of interest at the level of the administrative, management and supervisory bodies and General Management	Chapter 2.
Chapter 13. COMPENSATION AND BENEFITS	Chapter 2.
13.1. Compensation paid and benefits in kind granted	Chapter 2.
13.2. Amounts provisioned or recorded by SQLI or its subsidiaries for the payment of pensions, retirement or other benefits	Chapter 2.
Chapter 14. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES	Chapter 2.
14.1. Terms of office (expiration date and term of office)	Chapter 2.
14.2. Information on service contracts	Chapter 2.
14.3. Information on the committees	Chapter 2.
14.4. Statement of compliance with the corporate governance regime in force in France	Chapter 2.
14.5. Potential material impacts on corporate governance	Chapter 2.
Chapter 15. EMPLOYEES	Section 1.3.6.
15.1. Change in headcount	Section 1.3.6.
15.2. Equity investments and stock options	Section 5.2. and Section 5.3.
15.3. Agreement providing for employee profit-sharing	Section 5.2.2.1.
Chapter 16. MAIN SHAREHOLDERS	Section 5.2.
16.1. Change in the SQLI Group shareholding structure	Section 5.2.2.
16.2. Different voting rights	Section 5.2.2.
16.3. Ownership or control of SQLI	Section 5.2.2.1.
16.4. Agreement that could result in a change of control	Section 5.2.3.
Chapter 17. RELATED-PARTY TRANSACTIONS	Section 5.4.
Chapter 18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS	Chapter 4.
18.1. Historical financial information	4.1.
18.2. Interim and other financial information	None.
18.3. Audit of historical annual financial information	4.2.
18.4. Proforma financial information	None.

18.5. Dividend policy	1.4.3. Dividend distribution policy
18.6. Legal and arbitration proceedings	Note 17 to the consolidated financial statements presented in Section 4.1.
18.7. Significant changes in the financial or commercial position	None.
Chapter 19. ADDITIONAL INFORMATION	
19.1. Capital	Section 5.1. and 5.3.
19.2. Deeds of incorporation and Articles of Association	Section 5.5.
Chapter 20. MAJOR CONTRACTS	During the 2019 financial year, the SQLI Group did not enter into any major contracts, other than contracts entered into in the normal course of business.
Chapter 21. DOCUMENTS AVAILABLE	Section 6.3.
21.1. Financial calendar	Section 6.3.2.

7.2. Appendix 2: Cross-reference table with the Annual Financial Report

Statement by the person responsible	Section 6.1.2.
Management report	
Analysis of the results, financial position and risks of the parent company and the consolidated entity (Articles L. 225-100 and L. 225-100-2 of the French Commercial Code)	Chapter 1.
Information on the capital structure and factors likely to have an impact in the event of a public offer (Article L. 225-100-3 of the French Commercial Code)	Section 5.2.
Information on share buybacks (Article L. 225-211, paragraph 2, of the French Commercial Code)	Section 5.2.4. and Section 5.2.5.
Chairman's report on the functioning of the Board of Directors and internal control procedures (Article L. 225-37 of the French Commercial Code)	Chapter 2.
Annual Financial Statements	Section 4.3.
Statutory Auditors 'report on the Annual Financial Statements	Section 4.5.
Consolidated financial statements	Section 4.1.
Statutory Auditors 'report on the consolidated financial statements	Section 4.2.
Statutory auditors 'fees	Section 4.1. (page 185)

7.3. Appendix 3: Cross-reference table with the Management Report

Position and activity of the Company during the past financial year and, where applicable, of its subsidiaries and the companies it controls	Chapter 1.
Changes in the presentation of the financial statements or the valuation methods used in previous years	Chapter 4.
Results of the activity of the Company, its subsidiaries and the companies they control	Chapter 1 & Chapter 4
Financial key performance indicators	Section 1.1.
Analysis of changes in business, results and financial position	Section 1.4.
Progress made or difficulties encountered	Chapter 1.
Description of the main risks and uncertainties facing the Company (including the Company's exposure to financial risks)	Section 1.5. and Section 3.2.
Information on the use of financial instruments and the Company's financial risk management objectives and policy	Section 1.5.2.
Significant events since the reporting date	Section 1.3.4.
Foreseeable development of the Company and future outlook	Section 1.4.4. and 1.3.9.2.
Research and development activities	Section 1.3.8.
List of offices and positions held in any company by each corporate officer during the past financial year	Chapter 2.
Total compensation and benefits of any kind paid to each corporate officer during the past financial year	Section 2.1.1.5.
Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to elements of compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of these functions or subsequent to these	Chapter 2.
Transactions carried out by executives on the Company's shares	Section 5.2.1
Key environmental and social indicators	Chapter 3
Social information:	Chapter 3
Statement of employee profit-sharing	Section 5.2.2.1.
Environmental information:	Chapter 3

Information on the technological accident risk prevention policy, the Company's ability to cover its civil liability in respect of property and people due to classified facilities, and the means provided for managing the Compensation of victims in the event of a technological accident involving the Company's liability	Chapter 3
Equity investments in companies having their registered office in France and representing more than one-twentieth, one-tenth, one-fifth, one-third, one-half or two-thirds of the share capital or voting rights of these companies	Section 1.2.2.
Disposals of shares in order to regularise cross-shareholdings	None.
Individuals or legal entities directly or indirectly holding more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds or nineteen-twentieths of the share capital or voting rights of the Company at Shareholders' Meetings	Section 5.2.1.
Injunctions or financial penalties for anti-competitive practices	None.
Elements likely to have an impact in the event of a public offer:	Section 2.1.2.1.
General management of the Company (only in the event of a change)	No change
Elements of calculation and results of the adjustment of the bases of conversion or exercise of the transferable securities giving access to the share capital and of the options to subscribe or purchase shares	None.
Information on share buyback programmes	Section 5.2.5.
Summary table of current delegations for capital increases	Section 2.1.2.1.
Table of the Company's results over the last five financial years	Section 4.4.
Amount of dividends distributed over the last three financial years	Section 1.4.3.

