



Universal Registration Document 2020

including the Annual Financial Report

A public limited company with capital of €2,728,510
Le Valmy
4/16 avenue Léon Gaumont
75020 Paris



The Universal Registration Document was filed with the French Financial Markets Authority (AMF), as the competent authority in respect of regulation (EU) 2017/1129, on April 29, 2021, without prior approval in accordance with Article 9 of the said regulation.

The 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 supplemented by a transaction note and, where applicable, a summary and all amendments to the Universal Registration Document. The whole thus formed is approved by the AMF in accordance with regulation (EU) 2017/1129.

CONTENTS

Message from the Chairman	6
1. Persons responsible	7
1.1. Person responsible for the Universal Registration Document	7
1.2. Statement of the person responsible for the Universal Registration Document	7
2. Statutory Auditors	8
2.1. Principal Statutory Auditors	8
2.2. Alternate Statutory Auditors	8
2.3. Statutory Auditors' fees	9
3. Risk factors	10
3.1. Business Risks	10
3.1.1. Specific Business Risks (Including Reliance on Suppliers, Customers, Sub-contractors, Contracts, Manufacturing Processes, etc.)	10
3.1.2. Technological Risks	11
3.1.3. Fall in Prices	11
3.1.4. Emergence of New Competitors	11
3.1.5. Difficulty in Managing Growth	11
3.2. Insurance – Risk Coverage	11
3.3. Market risks	12
3.3.1. Foreign Currency Exposure	12
3.3.2. Interest Rate Risk	13
3.3.3. Liquidity Risk	13
3.3.4. Equity Risk	13
3.3.5. Country Risk	13
3.4. Legal Risks	13
3.4.1. Specific Legislation	13
3.4.2. Confidentiality	13
3.4.3. Reliance on Intellectual Property Rights	13
3.4.4. Non-Compliance with Performance Obligations	14
3.4.5. Exceptional Events and Disputes	14
3.4.6. Assets Used as Collateral	14
3.5. Industrial and Environmental Risks	14
3.6. Health risks	14
3.7. Internal Controls	14
3.7.1. Definition And Goals of Internal Controls	14
3.7.2. Overall Organization of Internal Control Procedures	15
3.7.3. Internal Controls Relating to Financial and Accounting Information	19
3.8. Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information	20
3.8.1. General Environmental Policy	20
3.8.2. Pollution	21
3.8.3. Prevention and waste management	21
3.8.4. Sustainable use of Resources	22
3.8.5. Climate Change	22
3.8.6. Protecting Biodiversity	22
3.9. Report (CSR) on Corporate Commitment to Sustainable Development	23
4. Information about the Issuer	25
4.1. History and Growth of the Company	25
4.1.1. Corporate Name and Trade Name of the Company	25
4.1.2. Address and Registration Number	25
4.1.3. Date and Term of Incorporation	25
4.1.4. Headquarters, Legal Structure and Applicable Legislation	25
4.1.5. History	25
4.2. Investments	27
4.2.1. Main Investments	27
4.2.2. Main Ongoing Investments	28
5. Overview of Activities	29
5.1. Overview	29
5.2. Objectives and strategy	29
5.2.1. The Infotel model	29
5.2.2. 2017: A New 5-year Strategic Plan	30
5.3. Services: Custom Solutions for Customers	32
5.3.1. The Infotel Difference	33
5.3.2. Some of the Infotel Group's World-Class References	33
5.4. Software: Large IT System Tools	34

5.4.1. Designing and Marketing Leading Software	34
5.4.2. Software that Meets the Needs of Large IT Sites	34
5.4.3. Technical support.....	35
5.5. Major Markets.....	35
5.5.1. The Market for Software and Services in France	35
5.5.2. Distribution of Infotel's Activities	37
5.5.3. Infotel's Position as a Software Publisher.....	38
5.6. Exceptional Events.....	38
5.7. Intellectual and Industrial Copyright	38
5.8. Competitive Position.....	39
5.9. Research and Development, Patents and Licenses	39
6. Organizational structure	40
6.1. Infotel's Position Within the Group	40
6.2. Subsidiaries.....	40
6.2.1. Description and Activities of Subsidiaries	40
6.2.2. Infotel Conseil Activity.....	41
6.2.3. OAIO Activity.....	41
6.2.4. Infotel Business Consulting Activity	41
6.2.5. Coach'IS Activity	42
6.2.6. Collaboratif Portail Services Activity	42
6.2.7. Archive Data Software Activity.....	42
6.2.8. Infotel Corporation Activity (USA).....	42
6.2.9. Infotel Monaco Activity (Monaco).....	42
6.2.10. Insoft Infotel Software GmbH Activity (Germany).....	42
6.2.11. Infotel UK Consulting Ltd Activity.....	42
6.2.12. Other Information Related to Subsidiaries.....	43
6.3. Functional Organizational and Human Resources	44
6.3.1. Organizational chart.....	44
6.3.2. Operations	44
6.4. Premises Used by the Group	46
7. Review of the Company's Financial Position and Profit/Loss	47
7.1. Financial position.....	47
7.2. Profit/Loss	47
7.2.1. Group	47
7.2.2. Parent company.....	47
7.2.3. Governmental Strategies or Factors.....	48
7.3. Shareholders' equity.....	48
8. Liquidity and Capital Resources	49
9. Regulatory environment	51
10. Trends	52
10.1. Trends since the end of the Fiscal Year 2020	52
10.2. Trends for the Fiscal Year 2021	52
11. Earnings Forecasts or Estimates.....	53
12. Administrative, Management, Supervisory and Executive Management Bodies.....	54
12.1. Administrative, Management and Supervisory Bodies	54
12.1.1. Membership of Administrative and Management Bodies	54
12.2. Conflicts of Interest.....	55
13. Remuneration and benefits	56
13.1. Executive pay	56
13.2. Pensions and other employee benefits	56
14. Operation of Administration and Management Bodies.....	58
14.1. Terms and Service Contracts.....	58
14.2. Corporate Governance and Committees	58
14.3. Restrictions to the Powers of the Chief Executive Officer.....	58
14.4. Additional Information on Corporate Governance.....	58
14.5. Board of Director's report on corporate governance.....	59
Introduction: Review of Legal Obligations	59
Tables Recommended by the Financial Markets Authority on the Remuneration of Corporate Officers.....	73
15. Employees	78
15.1. Workforce	78
15.2. Employee Profit-sharing and Incentive Plans	78
15.3. Employee share ownership.....	78
15.4. Stock option plan and free share plan.....	79
15.4.1. Stock Option Plan	79

15.4.2. Free share plan.....	79
15.5. Report on Corporate Social and Environmental Responsibility (CSR) – Corporate Social Information...	80
15.5.1. Summary.....	80
15.5.2. Combating Discrimination in the Workplace.....	81
15.5.3. Training Policy.....	81
15.5.4. Health and safety policy/Quality of life at work.....	81
15.5.5. Organizing Social Dialogue, Particularly Employee Information and Consultation Procedures and Employee Negotiations.....	82
15.6. Methodological Note on Corporate, Environmental and Social Information.....	83
15.6.1. Scope of CSR Reporting.....	83
15.6.2. CSR Indicators.....	83
15.6.3. Specific Points by Indicator.....	83
15.6.4. Verification of information.....	84
15.7. Extra-Financial Performance Declaration.....	84
15.7.1. Business model.....	84
15.7.2. Analysis of the main extra-financial risks and presentation of the policies and reasonable diligence implemented to offset these risks.....	86
15.8. The independent Third-Party’s Report on Extra-Financial Performance Declaration.....	92
16. Major Stockholders.....	95
16.1. Changes in the Breakdown of Capital Stock over the Last Three Years.....	95
17. Related party transactions.....	97
18. Financial Information regarding the Issuer’s Assets and Liabilities, Financial Position and Results.....	98
18.1. Historical Financial Information.....	98
18.2. Consolidated Financial Statements.....	99
18.2.1. Consolidated balance sheet.....	99
18.2.2. Income Statement and Statement of Comprehensive Income.....	101
18.2.3. Statement of Cash Flows.....	102
18.2.4. Consolidated Statement of Changes in Equity.....	103
18.2.5. General Information.....	104
18.2.6. Accounting Principles and Methods.....	104
18.3. Annual financial statements.....	128
18.3.1. Balance Sheet – Assets.....	128
18.3.2. Balance Sheet – Liabilities.....	129
18.3.3. Income statement.....	130
18.3.4. Notes to the Annual Accounts.....	132
18.4. Statutory Auditors’ report.....	141
18.4.1. Statutory Auditors’ report on the consolidated accounts.....	141
18.4.2. Statutory Auditors’ report on the annual accounts.....	145
18.4.3. Statutory Auditors’ special report on regulated agreements.....	149
18.5. Date of last financial disclosure.....	150
18.6. Intermediate financial information.....	150
18.7. Dividend policy.....	150
18.8. Legal proceedings and arbitration.....	150
18.9. Major changes in the financial or commercial position.....	150
19. Supplementary information.....	151
19.1. Capital stock.....	151
19.1.1. Changes in capital stock since the incorporation of the Company.....	151
19.1.2. Granted, Outstanding Stock.....	152
19.1.3. Non-Equity Stock.....	152
19.1.4. Treasury Stock.....	152
19.1.5. Complex Securities.....	153
19.1.6. Acquisition and/or Bond Rights in respect of unpaid capital.....	153
19.1.7. Options or Conditional Agreements for Group Members.....	153
19.1.8. History of Capital Stock.....	153
19.2. Memorandum and Articles of Incorporation.....	153
19.2.1. Corporate Purpose.....	153
19.2.2. Capital stock and shares.....	153
19.2.3. Members of the Administration and Management Bodies.....	154
19.2.4. Rights, Privileges and Restrictions Associated with Stock.....	156
19.2.5. Change in Stockholder Rights.....	157
19.2.6. Notification of Ordinary and Extraordinary General Stockholders’ Meetings.....	157
19.2.7. Changes in the Control.....	158
19.2.8. Stockholding Thresholds.....	158
19.2.9. Changes in the Capital Stock.....	158

20. Significant contracts 159
21. Available documents 160
 21.1. Financial reporting calendar..... 160
22. CSR Report - Cross-Reference..... 161

MESSAGE FROM THE CHAIRMAN

Madam, Sir,
Dear stockholder,

In 2020, **Infotel** posted revenue of €235.2m, down 5.3% compared to €248.4m in 2019, which was better than the target set in October 2020 (expected decline of 7-8%).

This gradual recovery confirms the resilience of the **Infotel** model against the backdrop of a major health crisis.

Revenue from the Services business amounted to €226.9m, down 5.4%. At the Services arm, several sectors made larger contributions to revenue compared with 2019: Banking (41.0%, vs. 36.1% in 2019), Insurance/Pensions (14.2% vs. 12.5%), and Administrations (3.1% vs. 2.1%). Meanwhile, other sectors contributed lower amounts: Industry (24.5% vs. 28.2%) and Services (17.1% vs. 21.2%).

The second half of the year saw a rally in business activity at Air France and PSA, while the situation at Airbus stabilised. In the banking sector, recurring activity remained strong with the signing of new contracts particularly with Crédit Agricole and the continuation of projects at Arkéa and BPCE.

The freeze on recruitment, due to the lack of visibility and the use of short-time working, resulted in a stable headcount of 2,371 employees at the end of December. At that date, there were only about 10 employees still on short-time work schemes. The percentage of time spent between assignments remained very low at 3.2% for the year.

At the Software business, revenue was stable at €8.4m in 2020, of which €4.5m in IBM royalties for the full year. Despite the sharp slowdown in the airline sector, the Group notched up several contracts for Orlando, the software solution developed to assist with technical documentation and aircraft maintenance. **Infotel** signed agreements with industry leaders, such as American Airlines, Flyadeal (subsidiary of Saudia), and Spirit Airlines, a US airline company.

Current operating income amounted to €16.7m vs. €22.4m one year earlier. The current operating margin stands at 7.1% vs. 9.0% in 2019, with the outsourcing rate decreasing by 0.3 points to 39.1% of revenue (vs. 39.4% in 2019). Conversely, the relative share of personnel costs increased by 1.90 points compared to revenue.

Excluding the application of IFRS 2 (share-based payment), personnel costs would be reduced by €4.5m vs. €3.5m in 2019 (after deducting the amount of free shares granted to the Group's key managers), current operating income would amount to €21.3m and the current operating margin would come to 9.0% of revenue.

Net income (Group share) was €9.4m, representing a net margin of 4.0% of revenue. The results for the year also resulted in an increase in cash resources: with a pre-tax cash flow of €29.7m, working capital requirement and investments under control, **Infotel** increased its cash by €24.6m in 2020. **Infotel's** financial position as of December 31, 2020 is thus further strengthened with €98.7m of equity, no significant debt and cash of €99.1m at the end of the fiscal year. This enabled us to propose the payment of a dividend of €1.60 per share, representing just over half of the net income, at the Board of Directors' meeting on March 10, 2021.

Bernard Lafforet
Chairman

1. PERSONS RESPONSIBLE

1.1. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Michel Koutchouk,
Executive Officer.

1.2. STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I hereby attest that the information contained in this universal registration document is, to the best of my knowledge, accurate and free of omissions liable to alter the scope thereof.

I hereby declare that, to the best of my knowledge, all accounts have been prepared in accordance with applicable accounting standards and are an accurate reflection of the assets, financial position and profit or loss of the Company, and all the companies included in the consolidation, and the Management Report, (including the elements that appear in Chapters 3, 5, 6, 7, 10, 12, 15, 16 and 19) presents a true and fair view of the business developments, income and financial position of the Company and all the companies in the consolidation and that it describes the main risks and uncertainties that they face.

2. STATUTORY AUDITORS

2.1. PRINCIPAL STATUTORY AUDITORS

Audit Consultants Associés
29 boulevard Malesherbes
75008 Paris
Represented by Mr. Sarkis Canli
First appointed on: December 7, 2011

Constantin Associés
6 place de la Pyramide
92908 Paris La Défense Cedex
Represented by Mrs. Cécile Rémy
First appointed on: May 26, 2010

2.2. ALTERNATE STATUTORY AUDITORS

RBB Business Advisors
133^{bis} rue de l'Université,
75007 Paris
Represented by Mr. Thierry Bretout
First appointed on: December 7, 2011

CISANE
6 place de la Pyramide
92908 Paris La Défense Cedex
Represented by Mr. David Dupont-Noel
First appointed on: May 26, 2010

2.3. STATUTORY AUDITORS' FEES

In €k	Audit Consultants Associés		Constantin Associés		Audit Consultants Associés		Constantin Associés	
	2020		2020		2019		2019	
	Amount (excl. taxes)	%	Amount (excl. taxes)	%	Amount (excl. taxes)	%	Amount (excl. taxes)	%
Audit								
- Statutory audit, certification and review of the individual and consolidated financial statements								
- Issuer	51	40	61	51	50	40	70	55
- Fully consolidated subsidiaries	75	60	47	39	74	60	46	36
- Services other than the statutory audit								
- Issuer								
- Fully consolidated subsidiaries								
<i>Sub-total</i>	126	100	108	90	124	100	116	91
Other services provided by the networks to fully consolidated subsidiaries								
- C.S.R			12	10			12	9
- Other (to be specified if > 10% of audit fees)								
<i>Sub-total</i>			12	10			12	9
TOTAL	126	100	120	100	124	100	128	100

3. RISK FACTORS

Investors should take into account the risk factors described below, in addition to other information and the Company's consolidated financial statements, to assess **Infotel** and its activities before deciding to invest in **Infotel** shares.

Certain risk factors impacting the IT services sector also apply to **Infotel**. These factors include:

- Increased competition in services, with aggressive price strategies due to the appearance of competitors from emerging countries and increased growth on the part of fixed-price services with respect to revenue;
- The use by customers of new technologies to create their IT applications;
- New technology purchasing strategies based on free, open-source or cloud programs.

Each of these factors can have a negative impact on operating income and the financial position of the Company. There cannot be any guarantee that the risks described in this Universal Registration Document will not generate problems significantly affecting the financial situation of its activity or its share price. The Company has carried out a review of the risks listed above, which could have a significant negative effect on its activity, financial position, profit or loss or its ability to achieve its objectives and considers that there are no other significant risks other than those described. Additional risks or uncertainties not presently known to the Company or that it considers insignificant may also impair its business and operations.

In accordance with the "Prospectus 3" regulation and the Delegated European Regulations of March 14, 2019, the presentation of the risk factors in this chapter takes account of significant risks according to their probability of occurrence and their impact on the Group. Moreover, in order to prioritise the risks, the most important risks are presented at the beginning of each category. A risk matrix table is also presented in the chapter devoted to the extra-financial performance declaration. This table aims to provide a summary of them.

3.1. BUSINESS RISKS

3.1.1. Specific Business Risks (Including Reliance on Suppliers, Customers, Sub-contractors, Contracts, Manufacturing Processes, etc.)

Customers

Given the quality of the **Infotel** Group's corporate customers and the history of Infotel's relationship with its customers, there is little appreciable customer risk: **Infotel** works with the IT departments of major French and international groups, at times customers that date back more than 30 years, for whom IT is a strategic tool and who sub-contract to sustainable companies only.

Business clientele is broken down by economic sector in the paragraph "Distribution of Infotel's Activities" on page 37 of this document.

The Services revenue of the **Infotel** Group is made up of cost-plus services and fixed-price services. The breakdown of the revenue between these methods of service provision over the past three fiscal years is shown here:

(as a percentage)	2020	2019	2018
Cost-plus services	37.1	35.7	31.7
Fixed-rate services and service desks	62.9	64.3	68.3

During the financial year ending December 31, 2020, the risks related to client reliance are the same as those encountered last year. **Infotel's** largest customer accounts for 15.0% of consolidated revenue vs. 18.2% for the previous financial year. The second largest customer accounts for 11.8% of revenue vs. 10.1% in 2019. As for the five largest customers, they account for a total of 51.4% of consolidated revenue vs. 50.8% for the previous financial year. The majority of services provided for these customers are performed by service desks, subject to multi-year contracts.

Trade payables

There are no risks linked to suppliers that would have an impact on the execution of the financial or technical business activities of the **Infotel** Group. The Group's Quality charter, drawn up for its ISO 9001 certification, states its motto: "*Searching for excellence through what we do well and doing what we do well*". **Infotel** has always aimed to take responsibility for its technical choices, and relies only on its management skills and those of its internal teams, and never on external suppliers.

Dependence on Key Personnel

The Company is dependent on its Senior Managers, whose departure could impact its outlook. However, it is progressively implementing a middle management structure aimed at taking up Senior Management positions in the Company in the long term.

Sub-contracting

Sub-contracting represented 39.1 % of revenue in 2020 (39.4 % in 2019). The risk of reliance on sub-contractors is low given their high level of segmentation.

Fixed-Price Services

The services carried out by the Company are invoiced on a fixed-price or cost-plus basis.

For fixed-price invoicing, as the price is negotiated in advance with the customer, there is a risk of under-valuing costs, difficulties linked to the project and additional requests from the customer.

To manage this risk, the Group has implemented a managerial policy aimed at training and supporting its project managers in estimating costs and managing customers during the contractual period (ISO).

3.1.2. Technological Risks

The main technological risk faced by **Infotel** concerns changes in technological data on the market that could impact the Group's position in both of its business sectors.

It should be noted that the Group is specialized in management IT sectors related to digitization and using very large databases. Experts do not foresee their rapid disappearance in terms of a significant market. The Group has demonstrated that it can take on board other technologies adopted by its customers, while remaining their principal supplier and also winning new customers.

3.1.3. Fall in Prices

The Group may be subject to price pressure.

It must nonetheless be noted that the Group, in the past, has succeeded in avoiding this type of risk and that the type and quality of its services—with high added value and targeted to the vital IT activity of large companies to ensure their growth—is an important factor in reducing the impact of this risk.

3.1.4. Emergence of New Competitors

The Group may have to face the appearance of new competitors in a sector undergoing continual technological change. It should nonetheless be noted that:

- Its software publishing activity addresses a niche market occupied by companies that have acquired past specialization in z/OS and Db2; it has succeeded in renewing and expanding its range to regain market share from its competitors;
- The Group succeeded in the past in coping with the consequences of the frequent arrival of new competitors in its service provision activity, and is now a major player.

3.1.5. Difficulty in Managing Growth

Infotel predicts growth in the coming years, especially in exports.

Difficulties linked to this growth are likely to arise in the sales, technical and administrative sectors.

In the past, **Infotel** has successfully addressed this type of difficulty. It should be noted that international expansion takes place in conjunction with the growth of major customers.

3.2. INSURANCE – RISK COVERAGE

Insurance subscribed to by the **Infotel** Group with a view to covering any risks to which the issuer might be exposed concern:

- Civil liability;

- All tangible assets;
- Rented premises;
- Retirements;
- Senior managers.

All of these contracts were taken out with well-known insurance companies, in consultation and with the expertise of the broker in charge of the **Infotel** Group account.

The table below sets out the level of coverage of the main potential risks as of December 31, 2020 as well as the amount of premiums paid in 2020.

Risks	Level of coverage (€k)	Premium amount 2020 (€k)
General civil liability	10,000	49
Pensions	110	0
Tangible and intangible damages (all-inclusive)	4,277	25

All risks are reassessed every year by the Executive Management and each contract is updated according to inventories or revenue or other elements affecting the contracts.

Operating loss is not guaranteed, as an accident on its premises would result in almost no operating disturbance.

All critical data, such as software sources in particular, is subject to regular backups located in different physical venues and stored in fireproof cabinets.

There are no risks insured internally.

3.3. MARKET RISKS

3.3.1. Foreign Currency Exposure

In thousands USD	Amount
Assets	949
Liabilities	588
Net balance	361

In thousands GBP	Amount
Assets	1,237
Liabilities	532
Net balance	705

The net balance before management corresponds to the difference between foreign currency assets and liabilities.

The parent company assumes the currency risk on intra-group billing and IBM royalties. It has not taken steps to cover this risk until now.

Foreign **Infotel** subsidiaries invoice their services in local currency. They also bear commercial costs in local currency.

The share of 2020 revenue of the **Infotel** Group that may be affected by a fluctuation in the US dollar is €5,012k, or 2.1% of revenue (vs. €5,107k in 2019 representing 2.1% of global revenue). The revenue in sterling represents 0.9% of the revenue for 2020, or €2,027k (vs. 1.5% of revenue in 2019, or €3,613k).

A change in the US dollar rate of about 10% would impact the financial result by about €34k.

A change in the British pound of about 10% would impact the financial result by about €13k.

3.3.2. Interest Rate Risk

At this time, the Group has no significant financial debt, and does not hold financial assets other than cash mutual funds. Interest rate risk is therefore marginal.

The Company and the Group do not use financial instruments to address interest rate risk.

3.3.3. Liquidity Risk

Infotel has carried out a specific review of its liquidity risk, which it considers to be nil due to the lack of any loans and its excess cash resources. As a result, it considers itself able to deal with future obligations.

3.3.4. Equity Risk

The management policy of the Group's funds is extremely prudent: it consists of placing liquid assets into mutual funds and fixed term deposits, so that these sums attract payment and remain readily available. The exposure of the Company to equity risk is confined to money market mutual funds and treasury stock. The Company does not bear equity risks in unconsolidated entities because it does not invest in equity.

The portfolio of marketable securities and treasury stock, as it appears in the consolidated accounts of the **Infotel** Group, is broken down as follows:

- Treasury stock: €102k
- Term accounts: €25,000k

No provisions are allocated to these assets.

3.3.5. Country Risk

As the activity of the Group is essentially carried out in Western Europe and the United States, country risk is considered marginal.

3.4. LEGAL RISKS

The legal risks management policy consists of allocating sums to certain disputes, up to the estimated risk amount for the Group. The amount of provisions for disputes totals €248k.

The details of disputes are described in the notes to the consolidated accounts in section "Note 12 – Provisions for risks and charges" on page 120.

3.4.1. Specific Legislation

Infotel's activity is not contingent upon legal, legislative or administrative authorizations, or approval procedures.

3.4.2. Confidentiality

Almost all documents given to the Company by its customers are subject to confidentiality agreements. The risk exists of disclosure of confidential information by the Company concerning the projects of a corporate customer. The Company has, however, established ethical standards that apply to its personnel, with a view to avoiding this risk.

3.4.3. Reliance on Intellectual Property Rights

It should be noted that computer programs developed by **Infotel** are not patentable inventions. At this time, the Group has not commenced, nor is it a party to, any litigation in this domain.

Infotel does not rely on software emanating from third parties; the sale of software, whether direct or indirect, concerns mainly software developed by **Infotel**, which does not lead to the payment of license fees.

3.4.4. Non-Compliance with Performance Obligations

The Group could face a risk of not meeting its performance obligations for its fixed-price contracts. It should be noted, however, that if this risk cannot be avoided, the Group has prior experience in managing this risk.

3.4.5. Exceptional Events and Disputes

The Company has no knowledge of any exceptional events or disputes that could have or have had, in the recent past, a significant impact on the activity, assets or financial position of **Infotel**.

3.4.6. Assets Used as Collateral

None of the assets of the **Infotel** Group are used as collateral security.

3.5. INDUSTRIAL AND ENVIRONMENTAL RISKS

Infotel performs an intellectual activity that is non-polluting. The Company has implemented a selective waste-collection system (mainly for printer ink cartridges and the collection of obsolete IT equipment) and makes all its personnel aware, from the time of their recruitment, of environmental values.

Even though the provision of Group services has little impact on the environment, **Infotel** nevertheless endeavours to limit the impact of its activity on the environment through the measures described in chapter "Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information" on page 20 of this document.

In particular, the **Infotel** Group has been ISO 14001 certified since July 29, 2011.

In the absence of any direct environmental and/or industrial risk, the Group's companies have not made any provision nor entered into any guarantee for pollution risk.

3.6. HEALTH RISKS

In response to the health crisis caused by the Covid-19 pandemic, which occurred at the beginning of 2020, **Infotel** was obliged to adapt its organisational structure, in particular through massive use of homeworking and short-time working for employees with no work.

Infotel has observed that some of its customers have seen their activity significantly impacted, particularly in the air transport sector (aircraft manufacturers and airline companies). The Group remains particularly vigilant regarding the development of the situation.

3.7. INTERNAL CONTROLS

3.7.1. Definition And Goals of Internal Controls

Internal control procedures in effect at **Infotel** are designed to:

- Ensure that management procedures and operation execution, as well as the conduct of personnel, are in keeping with the corporate framework of Company activities, as defined by the Executive Management, by applicable laws and regulations and in keeping with the values, standards and internal rules of the Company;
- Ensure that the accounting, financial and management information communicated to Management accurately reflect the Company's operations and financial position;
- Monitor the effectiveness of the internal processes of the Company, especially those relating to preserving assets.

One objective of the internal control system is to prevent risks arising from company activities and risks of error or fraud, especially in the areas of accounting and finance.

As with all control systems, it cannot provide an absolute guarantee that these risks will be totally eradicated.

These objectives are compatible with the definition of C.O.S.O (Committee of Sponsoring Organizations of the Treadway Commission). C.O.S.O has defined internal control as a process implemented by the Corporate and Executive Management bodies of a company to obtain a reasonable assurance of achieving efficient and smooth operations and reliable financial reporting, in compliance with applicable laws and regulations.

3.7.2. Overall Organization of Internal Control Procedures

Infotel is the parent company of the group founded in 1979.

As of December 31, 2020, the Group was made up of its French subsidiaries, Infotel Conseil, Archive Data Software and OAIO with 100%, 33.33% and 70% held by **Infotel** respectively. OAIO owns 100% of Infotel Business Consulting. Infotel Conseil wholly owns Coach'IS, a company that wholly owns Collaboratif Portail Services.

The **Infotel** Group is also present internationally through its foreign subsidiaries in the United States, the UK, Germany and Monaco via the following companies: Infotel Corporation, Insoft Infotel Software GmbH and Infotel Monaco, with a 100% holding, and its UK subsidiary, Infotel UK Consulting Ltd with a 51% holding.

Internal Control Bodies

The Board of Directors is responsible for the Company policy for evaluating risks, implementing appropriate internal control and monitoring its effectiveness. This policy corresponds to legal and financial management controls and procedures.

As part of its Audit Committee responsibilities, the Board of Directors is responsible for preparing financial information, monitoring the effectiveness of internal control and risk management processes, monitoring the legal control of the annual and consolidated accounts by the auditors and monitoring the independence of the auditors.

Infotel's operational subsidiaries are wholly owned (except OAIO where Infotel owns 70%, Archive Data Software (33.33%) and Infotel UK Consulting Ltd. (51%)), and the internal control of the Group is carried out laterally across all entities.

Infotel is centrally organized. As a result, the subsidiaries are managed by the **Infotel** Chief Executive Officer or the Executive Officers who perform most operational control activities.

Management of Major Risks

The risk management policy consists of anticipating significant impacts of business activity on the assets and revenue of the Company. In the **Infotel** Group, these preventive actions are the responsibility of the Executive Management. A detailed study of the risk factors affecting **Infotel** was drawn up in **Infotel's** 2020 Universal Registration Document. Below is a summary of the main risk factors studied by **Infotel**.

Market Risks (Liquidity, Interest Rate, Currency, Stock Portfolio)

Interest Rate Risk

Exposure to currency rate risk is detailed in paragraph 3.3.2 of this Universal Registration Document.

Foreign Exchange Risks

Exposure to foreign exchange risks is detailed in paragraph 3.3.1 of this Universal Registration Document.

Liquidity Risks

Exposure to liquidity risks is detailed in paragraph 3.3.3 of this Universal Registration Document.

Equity Risks

Exposure to equity risks is detailed in paragraph 3.3.4 of this Universal Registration Document.

Clients

Exposure to client risks is detailed in paragraph 3.1.1 of this Universal Registration Document.

Trade payables

Exposure to supplier risks is detailed in paragraph 3.1.1 of this Universal Registration Document.

Dependence on Key Personnel

Exposure to reliance risks is detailed in paragraph 3.1.1 of this Universal Registration Document.

Technological Risks

Exposure to technological risks is detailed in paragraph 3.1.2 of this Universal Registration Document.

Fall in Prices

Exposure to risk of lower prices is detailed in paragraph 3.1.3 of this Universal Registration Document.

Emergence of New Competitors

Exposure to risk of arrival of new competitors is detailed in paragraph 3.1.4 of this Universal Registration Document.

Growth Management

Exposure to management difficulty risks is detailed in paragraph 3.1.5 of this Universal Registration Document.

Legal Risks

Exposure to all legal risks is detailed in paragraph 3.4 of this Universal Registration Document.

Specific Legislation

Exposure to specific regulation risks is detailed in paragraph 3.4.1 of this Universal Registration Document.

Confidentiality

Exposure to confidentiality risks is detailed in paragraph 3.4.2 of this Universal Registration Document.

Reliance on Intellectual Property Rights

Exposure to reliance risks with respect to intellectual property rights is detailed in paragraph 3.4.3 of this Universal Registration Document.

Non-Compliance with Performance Obligations

Exposure to non-compliance with performance obligation risks is detailed in paragraph 3.4.4 of this Universal Registration Document.

Exceptional Events and Disputes

Exposure to exceptional events and dispute risks is detailed in paragraph 3.4.5 of this Universal Registration Document.

Assets Used as Collateral

None of the fixed assets of the **Infotel** Group are used as collateral security.

Industrial and Environmental Risks

Infotel performs an intellectual activity that is non-polluting. The Company has implemented a selective waste-collection system (mainly for used printer ink cartridges and batteries) and makes all its personnel aware, from the time of their recruitment, of environmental values.

In the absence of any direct environmental and/or industrial risk, the Group's companies have not made any provision nor entered into any guarantee for pollution risk. Given the nature of the business of the Company and its subsidiaries, an appropriate environmental policy has been implemented.

Climate Risks

In compliance with Article 173 of the French Energy Transition law, as of the fiscal year 2016, **Infotel** is required to disclose financial risks linked to climate change and measures taken by the company to reduce them by implementing a low-carbon strategy in all areas of its activity.

Taking Climate Risks into Account

Given the location of its facilities, exclusively in Europe, the **Infotel** Group has low exposure to the risks linked to climate change, with respect to both its operation and in the performance of its activities.

Certain extreme climate phenomena are nonetheless likely to impact **Infotel's** premises in Europe (e.g. storms, heat waves, overflowing of the Seine, etc.).

Low Carbon Strategy

Infotel is committed to minimizing the negative impacts on the environment, in particular through a policy of limiting its CO₂ emissions. The Group's greenhouse emissions are essentially linked to **Infotel** employee travel. They are low due to employees mainly using public transportation systems for travelling to and from their place of work. In addition, most employee vehicles do not belong to the Group. The impact of business travel is thus, for the most part, indirect.

The Group has a fleet of vehicles that includes 35 cars and 4 motorcycles. Upon each new vehicle contract, **Infotel** studies the best possible fuel (electric, hybrid, thermal). Emissions are very low due to the small size of the fleet. The Group has also implemented a video conferencing system to limit business travel.

Given the Group's activities (mainly IT consultancy), Scope 3 emissions are not deemed to be very high. Scope 3 emissions were calculated by an external body, the CITEPA (French Interprofessional Technical Center for Studies on Air Pollution) in 2020, based on 2019 data for air and rail travel. The quantity of CO₂ was 194 tons in 2019 vs. 265 tons in 2018. For 2020, the quantity of CO₂ is 64 tons. This sharp decline is due to measures to limit travel during the Covid-19 crisis.

Quality

Infotel has published a Group Quality Charter, which is the foundation for its commitments to its customers.

In 2020, Infotel Conseil renewed the ISO 9001:2015 certification for activities concerning the design, execution, maintenance and support of software, with performance obligations for the Paris (Neuilly-sur-Seine, Paris Montreuil and Nanterre), Toulouse (Blagnac and Balma), Bordeaux (Pessac), Lyon, Rennes, Nantes (Saint-Herblain), Le Mans, Brest, Niort, Aix-en-Provence, Mougins, Lille (Lezennes) sites.

Our certification number: 1998/10031.12

In 2020, Infotel Conseil renewed the ISO 14001:2015 environmental certification for activities concerning the execution, maintenance and support of software, with performance obligations for the Paris (Neuilly-sur-Seine, Paris Montreuil and Nanterre), Toulouse (Blagnac and Balma), Bordeaux (Pessac), Lyon, Rennes, Nantes (Saint-Herblain), Le Mans, Brest, Niort, Aix-en-Provence, Mougins, Lille (Lezennes) sites.

Our certification number: 2001/40997.5

In 2020, Infotel Conseil renewed the ISO 27001:2013 certification for information security management systems for the **provision of IT services** in 2017 for the Rennes, Paris, Nanterre and Newcastle sites.

Our certification number: 2017/77710.3

The **Infotel** policy relating to the environment is described in chapter 3.8.1 "General Environmental Policy" on page 20 of this document.

Organisation of the Executive Authority

Major operations requiring the approval of the Executive Committee or Executive Management are as follows:

- Written offers relating to actions that carry a major risk are subject to the opinion of the Executive Committee;
- Important decisions concerning research and development;
- Actions affecting the IT system of the Group.

The integration of subsidiaries, on both the legal and operational levels, is described above. Subsidiaries are managed by the Executive Management.

Description of Internal Control Procedures

The internal control procedures are described below.

Infotel's operational subsidiaries are wholly owned (except OAIO where Infotel owns 70 %, Archive Data Software (33.33%) and Infotel UK Consulting Ltd. (51%)), and the internal control of the Group is carried out laterally across all entities.

Moreover, Infotel Conseil wholly owns Coach'IS, a company that wholly owns Collaboractif Portail Services.

Similarly, OAIO owns 100% of Infotel Business Consulting.

The Group is thus divided over a number of divisions, each of which provides their own level of specific controls.

An Executive Committee, under the authority of the Chairman and including regional division heads, is responsible for the operational management of the Group. It meets weekly.

1) Executive Management

The Executive Management of the Group is responsible for defining strategy, overall policy, objectives and action plans. It also directs organizational functions and special assignments not covered by operational management.

A number of meetings take place periodically to review the major objectives of the Group, the medium and long-term strategy and the values on which the Group relies to meet these objectives.

2) Operational Management

The operational department is responsible for designing, marketing and ensuring profitability for all fixed-price (service desks) and cost-plus based services, technical support and training adapted to customers' needs according to their geographical locations, and for the design, development, maintenance and technical support of the Software.

Two Executive Officers are responsible for this department.

3) Financial Department

The Financial Department is responsible, for the Group as a whole, for managing the cash resources, supervising the accounting management and producing the necessary information for management control, especially financial performance indicators and margin calculations.

It also coordinates financial communication and takes part in meetings along with the Executive Management in information meetings with financial analysts on the publication of bi-annual and annual reports.

This department is headed by an Executive Officer.

4) HR Department

The HR department is responsible for all the employees of the Group. Its duty is to define the standards and regulations, administer personnel, manage HR relations, participate in recruitment procedures and career decisions, set salaries, monitor the consistency of the pay policy and manage relations with bodies representing employees. This department reports to operational management under the leadership of an Executive Officer.

5) Communications

Executive Management is responsible for communications.

3.7.3. Internal Controls Relating to Financial and Accounting Information

As at the operational level, **Infotel's** financial information is centralized.

1) *Managing cash resources and delegating signing authority*

Expenditure in the French companies of the Group may only be instituted by or with the consent of the Chief Executive Officer or Executive Officers of **Infotel**.

For its foreign subsidiaries, only operational expenditure for a limited amount can be undertaken by the local managers. Customer payments take place exclusively via bank transfer to accounts dedicated to payments. Only the Chief Executive Officer or the Executive Officers are authorized to perform expenditures of funds from those accounts.

2) *Preparing corporate financial statements*

The accounts of all the Group's entities are held or monitored by chartered accountant firms, under the control of **Infotel's** Executive Management.

These firms also prepare the corporate financial statements.

The chartered accountant of the parent company holds the office of accounting manager for the Group.

3) *Preparing the consolidated financial statements*

The chartered accountant firm of the parent company prepares the bi-annual and annual consolidated financial reports under the control of **Infotel's** Executive Management.

The Executive Management also performs a follow-up of off-balance sheet items and assets.

Improving Internal Control Procedures

Infotel operates in a context of ongoing improvement of its internal control procedures.

The financial control system (budget/reporting), in place for a number of years, is operational. The tools on which it is based appear to be suitable to our needs but must be adapted in the event of the Group growing significantly.

Executive Management ensures the proper application of rules. Depending on how the company size evolves, **Infotel** will strengthen, in a pragmatic fashion, this function (strengthened management control, fine-tuning of the organization and systems).

Infotel will periodically audit its risk management procedures, either internally or externally, and formalize regular action plans for improvement.

Compliance With the Laws and Regulations in Effect

The **Infotel** organization is also centralized within the framework of compliance procedures with laws and regulations in effect, which fall under the authority of the Executive Management and the Executive Officers.

It is specified that in the preparation, implementation and description of its internal control and risk management system, the Company relies on a “*Reference Framework for Internal Control: Implementation Guide for Small Caps and Midcaps*” offered by the AMF and that the use of this guide did not lead to the identification of failures or inadequacies in the internal control system implemented in the **Infotel** Group.

3.8. REPORT ON CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR) - ENVIRONMENTAL INFORMATION

Pursuant to the provisions of Article L. 22-10-36 paragraph 5 of the French Commercial Code, the stipulations relating to the way in which the **Infotel** Group takes into account the environmental consequences of its activity are described below.

Infotel's commitment to promoting sustainable development is also described.

3.8.1. General Environmental Policy

How the company takes environmental issues into account

At the end of 2020, **Infotel** decided to commit to a responsible digital approach. This commitment is a promising project of opportunities and progress for the Group.

In December 2020, **Infotel** signed **Syntec Numérique's Planet Tech Care** manifesto and appointed a responsible digital manager.

The next step in the project in 2021 is to have this approach recognised by the Responsible Digital Label.

Infotel has initiated a Life Cycle Analysis approach for its purchases, products and services.

For example, in 2019, 80% of **Infotel's** sites in France and Monaco were powered by green energy. **Infotel** aims to have 100% coverage for **Infotel's** sites in France by 2025.

Infotel is aware of the impact of its activities on the environment. In this way, the Group endeavours to reduce the negative impact in the sectors that concern it, comply with environmental legislation and standards, and improve in an ongoing manner the environmental performance of its activities. The carbon footprint of the Group is, for the most part, due to the energy consumption of its facilities and, in particular, its IT equipment.

In addition, the concern of the **Infotel** Group for the environment has been formalized in a structured procedure, which culminated in ISO 14001 certification on July 29, 2011 and its renewal on August 8, 2017.

In 2020, **Infotel** Conseil was assessed by the **EcoVadis** platform and was awarded the silver medal with a score of 61/100. This assessment is based on environmental, social and ethical issues.

Another ESG assessment was carried out in 2020 by Ethifinance and **Infotel** was assessed with a score of 69/100 on the GAIA index.

Commitments towards a circular economy

One of **Infotel's** main challenges is to reduce its environmental footprint in its service provision. The Group's environmental policy is based on actions such as providing training, implementing means for reducing energy consumption, and establishing a selective waste collection system, as described below.

As part of the responsible digital approach, **Infotel** is discussing the implementation of an indicator on the percentage of recyclable IT equipment.

Employee training and information initiatives for environmental protection

On hiring, all employees are made aware of our environmental values. In addition to the company's welcome booklet that describes its values, guides have been produced to raise awareness among new employees: “Quality at **Infotel**”, “Corporate Social and Environmental Responsibility Guide”, “Recycling and Maintenance in Your Workplace”. Within the framework of ISO 14001 certification, the Group asks each of its partners to adopt an eco-responsible approach and gives priority to relationships with suppliers with eco-labels.

Resources for preventing environmental risks and pollution

Within the framework of ISO 14001 certification, the Group has implemented an Environmental Management System (EMS) inspired by the requirements of the standard, which is aimed at continuously improving its environmental performance. The Group has implemented an environmental policy designed to reduce its paper and energy consumption. The objective is not to exceed the 2014 consumption rate for paper and energy in proportion to turnover. Given growth of around 50% since 2014, it can be considered that this objective has been largely achieved.

The purchase of paper reams at Infotel Conseil was divided by 2.5 between 2017 and 2020 after raising employee awareness. The majority of paper purchases are FSC and Ecolabel accredited. The EPEAT label will be studied for the purchase of laptops. The objective is to have the maximum EPEAT Gold-rated equipment.

Amount of Provisions and Guarantees for Environmental Risks

In the absence of any environmental risks, the Group companies have not made any provision for pollution risk.

No environmental issues impact the use made by the issuer of its tangible assets.

3.8.2. Pollution

Measures for Preventing, Reducing or Repairing Emissions in Air, Water and Soil that Seriously Impact the Environment

The activity of the companies in the **Infotel** Group does not represent a risk to the environment in a way that seriously impacts the air, water or soil, and is therefore not affected by any prevention or reduction measures to this effect.

Nevertheless, as part of the responsible digital plan, **Infotel** is aware of the indirect impact on the environment with the supply of energy, paper and hardware.

3.8.3. Prevention and waste management

Measures for Preventing, Recycling and Eliminating Waste

The company has implemented a selective waste-collection system (paper, cardboard and waste electronic and electrical equipment). The quantity of paper and cardboard generated by our activity in 2020 was 6.75 tons compared to 6.5 tons in 2019. A new reporting system was implemented in 2019 to have a quicker and more comprehensive overview, particularly of waste electronic and electrical equipment. In 2020, the quantity of this type of waste totalled 1.75 tons, compared with 0.98 tons in 2019. The Monaco and Nantes sites were not included in these calculations for 2020 and previous years.

Sound pollution and any other type of pollution specific to an activity

Within the framework of its activities, the company does not emit sound pollution.

Generally speaking, **Infotel** is not affected by any form of pollution specific to its activity.

Measures for Food Waste Prevention

Initiatives against food waste have not been introduced, as the diversity of the facilities and their size prevented the installation of private company restaurants. Given the nature of **Infotel** activities, this topic is not deemed relevant. Similarly, **Infotel** is not concerned by the themes relating to combating food insecurity and commitments to respect animal welfare and responsible, fair and sustainable food.

3.8.4. Sustainable use of Resources

The Group measures the energy consumption in its offices and service desks on a daily basis and analyzes opportunities for increased efficiency.

All company departments are required to reduce their electrical consumption.

Each renovation or opening of new facilities must serve as an opportunity to plan for and adopt efficient technology systems for energy savings.

Environmental information	2020	2019	2018
Water consumption	4,852 m ³	5,068 m ³	4,254 m ³
Electricity consumption	1,284 MWh (76.9 T CO ²)	1,396 MWh (79.7 T CO ²)	1,403 MWh (80.1 T CO ²)
Consumption of raw materials	None	None	None
Consumption of other energy	None	None	None

To evaluate the CO² equivalent in electricity consumption, it was decided that 1 kWh = 0.0599 kilograms of CO² equivalent (energy mix in France in 2020, *source ADEME*).

Water consumption is calculated with a formula per m² and per year. Given the massive absence of employees between March and December at **Infotel's** premises, a 30% reduction was applied.

It should be noted that water use is reserved for sanitary use. Water is not used to cool server rooms.

Given the nature of **Infotel** activities, the theme of the use of soil was not deemed relevant and is not discussed in this report.

3.8.5. Climate Change

The significant items of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces

The main direct sources of greenhouse emissions identified by **Infotel** are currently the energy of the buildings that the Group occupies, the energy used by the IT hardware required for the activity, and travel for professional reasons. However, as the fleet held by the Group is small (35 automobiles and 4 motorcycles), the impact of most travel is thus indirect (professional travel) and a video-conferencing system has been implemented to limit travel. In 2019, Infotel Conseil supplemented its video-conferencing system with collaborative platforms. In 2020, Infotel Conseil strengthened this system with new collaborative platforms that enabled the Group to adapt to the Covid-19 health crisis.

Greenhouse gas emissions linked to Group employee business travel are low due to the extensive use of public transportation systems from employees' homes to the customer site.

Given the Group's activities (mainly IT consultancy), Scope 3 emissions are not deemed to be very high. Scope 3 emissions were calculated by an external body, the CITEPA (French Interprofessional Technical Center for Studies on Air Pollution) in 2020, based on 2019 data for air and rail travel. The quantity of CO² was 194 tons in 2019 vs. 265 tons in 2018. For 2020, the quantity of CO² is 92 tons. This sharp decline is due to measures to limit travel during the Covid-19 crisis.

Adapting to the consequences of climate change

This theme is not deemed relevant given **Infotel's** activities.

3.8.6. Protecting Biodiversity

As part of the **Responsible Digital** Project, **Infotel** is aware of the impact of its activity through purchases in particular of IT equipment, paper and energy supply.

In order to best preserve rare mineral resources, protect the environment in which fauna and flora live, **Infotel** favours the dual label FSC ECOLABEL in its paper purchases and in its purchases of IT equipment the EPEAT Gold label for the purchase of laptops and servers and the supply of electrical energy with renewable resources.

3.9. REPORT (CSR) ON CORPORATE COMMITMENT TO SUSTAINABLE DEVELOPMENT

Infotel wants to contribute to the quality of life and the environment wherever the Group does business.

The Group places sustainable development at the heart of its strategy, and expresses this in its Quality Charter. The Group's policy is in line with a sustainable growth procedure that is based on the conviction that its long-term growth depends in part on the way in which **Infotel** accepts its responsibility in social and environmental areas.

Territorial, Economic and Social Impact of the Company's Activity

With respect to employment and regional growth, **Infotel** is highly committed to the local economy via its facilities throughout France:

- In the Paris region, via its sites in Neuilly-sur-Seine, Paris and Nanterre;
- In the north east of France, via its site in Lille;
- In the west of France, via service desks in Rennes, Nantes, Le Mans, Orléans, Niort, Brest and Bordeaux;
- In the south west of France, via its service desk in Toulouse;
- In the south east of France, via service desks in Lyon, Dijon, Aix-Marseille and Nice.

In its capacity as a French company, **Infotel** is pursuing a grassroots strategy to remain close to its customers and also to provide quality of life for its employees.

With respect to the territorial, economic and social impact on the local population, the Group has made regional growth part of its strategy, thus contributing to the territorial impact of its activities with respect to employment. **Infotel** is very involved in the local economy and is generally committed to a "nearshore" policy, meaning national players (or nearby countries) as opposed to "offshore": **Infotel** therefore has no interest in the use of remote labour, even at low cost.

While **Infotel** may not have specific partnership projects with schools and universities, the Group is committed to a dynamic recruitment policy for young people: **Infotel** hires many young graduates without previous work experience, who benefit from in-house training. **Infotel** participates regularly in forums held by schools and universities.

Relations with persons or organizations interested in the company's activity

Given the nature of the Group's activity, **Infotel** does not undertake privileged relationships or sponsorship activities or partnerships with associations combating social exclusion, environmental defense, consumer protection or with local inhabitants.

Infotel is, however, particularly committed to training, and maintains close relationships with IT training establishments, and builds partnerships that lead to apprenticeships, internships and training programs.

In terms of governance, the Executive Management is responsible for implementing the Group's sustainable growth policy.

Sub-contracting and Suppliers

Infotel's use of sub-contractors outside of France is marginal. It represents less than 0.5% of total sub-contracting.

No specific action was taken to consider CSR criteria in relationships with suppliers and sub-contractors, as the risk was limited given the Group's activities and geographical presence (Europe and USA).

Fair Trade Practices

Infotel is not affected by provisions dealing with the health and safety of consumers given its activities for the provision of IT services to companies. The Group does not store individual data belonging to its customers.

The Group has implemented anti-discrimination and equal opportunity initiatives.

Other Initiatives Undertaken to Promote Human Rights

Wherever it operates, **Infotel** conducts its development with regard to fundamental human and social rights while also respecting the environment.

None of the countries where **Infotel** operates breach human rights and fundamental freedom.

In terms of equality, **Infotel** takes care to have an equal number of women and men on its teams. As of January 1, 2017 the law relating to equal representation of women and men on Boards of Directors imposes representation of 40% of each sex on Boards of Directors (Law No. 2011-103 of January 27, 2011 called the “Copé-Zimmermann” law). Well before this date, **Infotel’s** Board of Directors already had an equal number of female and male directors.

Infotel is committed to professional equality between women and men.

On March 1, 2020, **Infotel** published on its website the results following the calculation of the gender equality index, resulting from law No. 2018-771 passed on September 5, 2018 for people's freedom to choose their professional future and Decree No. 2019-15 of January 8, 2019. In 2020, **Infotel** achieved an excellent rating of 94/100, reflecting the reality and effectiveness of the actions implemented.

From now on, particular attention will be paid to the working conditions of all of the Group’s employees, as well as those of its sub-contractors. An article published on November 12, 2020 in the magazine “Le Point” rates **Infotel** among the top 250 employers in France and in 18th position among High Tech companies, for the quality of its working conditions.

4. INFORMATION ABOUT THE ISSUER

4.1. HISTORY AND GROWTH OF THE COMPANY

4.1.1. Corporate Name and Trade Name of the Company

Infotel

4.1.2. Address and Registration Number

RCS: Paris 317 480 135.

APE – NAF Code (French classification of activities): 5829A (software system and network publishing).

LEI: 9695008JULKH9KJQLP04

4.1.3. Date and Term of Incorporation

Infotel was incorporated on December 31, 1979, for an initial term of 99 years, i.e. until December 30, 2078 unless it is dissolved early or extended by law.

4.1.4. Headquarters, Legal Structure and Applicable Legislation

Infotel

Le Valmy 4/16 avenue Léon Gaumont

75020 Paris

Telephone: +33 (0)1 48 97 38 38

French public limited company with a Board of Directors governed by the French Commercial Code.

The company's legal documents may be viewed at the above headquarters or on its Website: www.infotel.com (the information on the website is not part of the prospectus unless this information is incorporated by reference in the prospectus).

4.1.5. History

4.1.5.1. Creation of the Company: Database and Real-Time Experts (1979 – 1988)

The **Infotel** Group was created at the end of 1979 by a team of experts: Bernard Lafforet, a mathematics researcher at CNRS and a renowned specialist in solving complex programming problems requiring the construction of sophisticated algorithms; Michel Koutchouk, head of applications development with the IT Department at Air France; and Alain Hallereau, Project Manager at Cap Gemini. They were subsequently joined by Josyane Muller, who had been Branch Manager at Cap Gemini.

They foresaw that databases and real-time movement were to become the two main pillars in the IT growth of major software accounts and decided that **Infotel** would specialize in these areas by offering services, training and software packages.

The services activity of the Group started with a number of large companies and spread to a range of customers attracted by the highly professional reputation of its founders.

The first projects were carried out on a fixed-price basis for major customers, and the Group's expertise and research led to innovative achievements, such as the first electronic document processing of incoming physical mail for a large insurance company.

With the increase in sales of its first software packages, the **Infotel** Group was organized into a number of entities, encouraging the legal separation between software publishing and service activities.

With the success of its software (and in particular, Infopak, a database compression software package) with an international clientele, the Group decided to open a branch office in the United States and bolster **Infotel's** reputation with respect to its growth capacity and software research.

4.1.5.2. Growth of the Company: Grassroots Software and Services for Relational Databases (1989 – 1998)

The services and training activity pursued its growth based on technologies used by major customers: **Infotel** became the specialist in relational databases with the appearance of DB2, and integrated customer techniques. Regional expansion started in 1989 with the opening of the Toulouse branch.

Infotel strengthened its investment policy in the services sector to meet a strong demand linked to the diversification of software technologies.

During this period, the Group also undertook the development and launching of new ranges of utility software for databases.

As of 1996, **Infotel** foresaw changes in large software systems, which would lead to the arrival of new technologies such as the Internet and Java.

The Group carried out its first external growth phase in 1998, and obtained its ISO 9001 certification the same year.

4.1.5.3. Web-To-Database Expansion (1999 – 2008)

On January 21, 1999, with the introduction of the New Market section of the Paris Stock Exchange, **Infotel** entered the next phase in its development and obtained the means to finance its own new growth projects. The Group then accelerated its acquisition policy by taking over SI2 in December 1999 and Sporen and Innovaco Formation the following year.

In 1999, **Infotel** took a strategic position: Web-To-Database, the concept of a global technological service offering to meet the needs of growth and assist companies in expanding their information systems. The Group then expanded and strengthened its sales force, both in its Services activity where **Infotel** put forward the results of its technological watch, notably in Java, and in its Software activity. Here the technical talents of the teams were put to use in developing in-house software ranges and developing and adapting DB2 utilities sold by IBM, after a first agreement was signed in 1999.

The Group then multiplied its service provision skills: in Services, with new activities such as TPAM (Third-party Application Maintenance), decision-making and archiving, in the Software sector with the development of High Performance Unload for DB2 for Linux, UNIX and Windows for IBM, which easily and rapidly optimizes data unloading onto distributed environments.

The Group based its strategy on three fronts: remaining close to large customers, achieving the growth to constantly maintain the size required to reply to calls for tender, and maintaining the quality of services and their added value.

Infotel pursued its external growth strategy with the acquisition and subsequent integration, starting in 2006, of the Odaxys group, based in Rennes and Nantes, a major player in the IT software services in the Greater West area of France.

Regional expansion was pursued with the opening of local branch offices (Lyon, Bordeaux, Le Mans, Niort).

4.1.5.4. The “Ambitions 2012” plan (2009 – 2012)

The growth has confirmed the accuracy of **Infotel's** positioning: in Software, where IBM royalties reflect the efficiency of fast database unloading utilities created by **Infotel**; in Services, where the rise in service desks and TPAM, fixed-price services and service provisions combining software and services, especially based on archiving and Arcsys software, show that customers consider **Infotel** to be a key partner.

The aim of becoming a world-class player on an equal footing with the major players on the French IT scene has been attained. The quality of the **Infotel** Group's services and software means it is recognized as a major player by its customers, often making Infotel the first choice as their supplier.

In an increasingly difficult economic environment, **Infotel** persevered in its growth strategy. The “Ambitions 2012” plan defined two strategic avenues for growth:

- Service desks, where the software applications of our customers are developed, maintained and tested. Located close to customers and operating on a fixed-price basis, they will be key to future growth;
- Electronic document processing software that is at the heart of customer concerns.

The goals of the plan have been reached, despite the slowdown in the economy. Over this time, growth has exceeded 50% (for an annual average growth of over 9.2%, higher than the market).

The Group's scope has expanded in three directions:

- Firstly, geographically: The acquisition of Addax at the start of 2010 created a presence in the Nice region (Sophia Antipolis), in Aix-Marseille and Monaco, and the acquisition of Empeiria at the start of 2012 created a presence in the Lille region;
- Secondly, core business-wise: Participation in the successive creations of Harwell Management and Infotel Business Consulting expanded the services of the Group to include consulting and project management;

- Last but not least, with respect to software: Investment in creating Archive Data Software added a new distribution channel for our Arcsys software, and the acquisition at the end of June 2011 of the German software firm Insoft Software GmbH added new software to our service offering.

4.1.5.5. The Performance 2016 Plan (2013 – 2016)

The **Infotel** Group continued its growth with the strategic “Performance 2016” plan, which is based on four main strategic directions:

- Pursuing a growth strategy with major accounts through the creation of service desks;
- Assisting the IT departments of major accounts in their path to mobility;
- Helping major accounts manage vast amounts of Big Data;
- Increasing its internationalization.

With this plan, **Infotel** aimed to grow and secure margins, with a revenue in the order of €200 million with acquisitions. The increases in revenue and margins were achieved. **Infotel** made it known on September 14, 2016 that the goal of €200 million in revenue could not be reached in 2016. Therefore, **Infotel's** performance which translates into a revenue of €190.5m in 2016, €209.3m in 2017 and €231.7m in 2018 is very good as it took place without external growth.

4.1.5.6. 2017: A New 5-year Strategic Plan

On March 15, 2017, **Infotel** announced a new strategic plan, described on page 30, setting out the goal of doubling the company size within five years by integrating acquisitions and continuing to outperform in the market, and maintaining a good level of operational profitability. This plan continued in 2019.

This document outlines how the **Infotel** offer has changed over time, both in services and software, to remain at the core of its customers' needs.

4.2. INVESTMENTS

The investment policy of the Group reconciles ambition and reason. Ambition, when it comes to developing the Group's services, especially in software, or when seizing opportunities for external growth. And Reason, because **Infotel**, always mindful of its profitability and independence, favors investments that offer a rapid return on capital investments.

4.2.1. Main Investments

Current investments of the Group are comprised of, for the most part, IT equipment, software, transport and office equipment, fixtures and fittings and facilities.

(In €k)	2020	2019	2018
Fixtures and fittings, facilities	816	590	508
IT and office equipment	1,370	649	841
Transport equipment	247	22	41
Construction work in progress		870	-

Construction work in progress concerns work on **Infotel's** new headquarters.

These investments are amortized on a straight-line basis according to the following terms:

Fixtures and fittings	4 to 10 years
Furniture and office equipment	3 to 8 years
IT equipment	3 years
Transport equipment	4 to 5 years

Current annual investment budgets represent, for the most part, the renewal of existing equipment and are in line with the growth of the Company.

Ongoing investments concern overall renewal of fixtures and fittings, facilities and IT and office equipment. These investments are self-financed, and no individual investment attracts any commentary.

Investments in research and development are described in chapter 5.9 on page 39.

4.2.2. Main Ongoing Investments

For fiscal year 2020, the Group pursued the renewal of its tangible assets in line with the growth of its activities.

The Group's main investment comprises research and development, as described in chapter 5.9 "Research and Development, Patents and Licenses" on page 39.

5. OVERVIEW OF ACTIVITIES

The change in revenue and earnings by operational sector are also outlined in the notes to the consolidated accounts, in section 18.2.6.9 “Segment reporting” on page 125.

5.1. OVERVIEW

Infotel is both an IT service company and a software publisher:

- With its consulting, analysis, IT system audit and TPAM (Third-party Application Maintenance) services, **Infotel** can design, create, maintain and update, as a fixed-price or cost-plus based service, within the service desks, management projects implementing the most advanced methods and technical services, from terminals connected to the Web to large databases. With its personalized training, **Infotel** meets the changing needs of IT engineers.
During the fiscal year, the IT services activity represented a revenue of €226,874k and a net profit of €8,230k;
- **Infotel** has developed software to assist companies in such areas as operational support for large relational databases (security, performance, and management), archiving, data management and application quality and performance. A recent development is the move towards functional software, Orlando being the first component.
During the fiscal year, the software publishing activity represented a revenue of €8,361k and a net profit of €1,397k.

5.2. Objectives and strategy

The **Infotel** Group was successful in its growth over the last four decades because it remained true to its basic values, while adapting them to an ever-changing context.

The **Infotel** values are embodied in a number of concepts:

- **Excellence:** Being among the best in its practices, in its core businesses, alongside its customers, in the technologies the Group has chosen to focus on, such as Web technologies and databases;
- **Proximity:** Remaining close to its customers, attentive to their concerns in order to provide the best solution for their issues; staying close to employees, ensuring the best growth possible;
- **Respect:** Showing respect for its customers and employees, respect for rules, deadlines, commitments and the environment;
- **Agility:** Knowing how to evolve, understanding new technologies, improving our core business, procedures and management and continuously adapting while remaining true to our other values (excellence, proximity, respect).

5.2.1. The Infotel model

5.2.1.1. Making IT a Powerful Tool...

Infotel's core business is to design, develop and maintain powerful and efficient IT systems, and market them within the context of service offerings and/or as autonomous software packages. **Infotel** builds IT applications for its users, above and beyond the compartmentalized notions of software publishers or IT service companies.

5.2.1.2. For its Biggest Users...

All of **Infotel's** customers base their growth on highly performing IT systems. For them, IT is key. It is often their production tool (this is the case for banks, insurance companies, pension institutions). Their IT systems also contribute to their competitive advantage, as is the case for companies in the transport or aeronautic sectors.

As it is not their core business, these companies look for specialists to manage their IT, particularly within service desks: **Infotel's** goal is to be a reliable and sustainable partner for these companies and administrations, from the design of program tools to development and maintenance.

5.2.1.3. In the Interest of Growth

It is through the growth of its customers and their IT needs that **Infotel** achieves its own growth.

This growth is multi-dimensional:

- Vertical growth, with expertise in customer core businesses and constraints and its continuous application from high-level consultancy to development and maintenance;
- Horizontal and geographical growth: Everywhere its customers are found, in France, in all its national and international branch offices, irrespective of their economic sector;
- Technical and functional growth, open to new techniques and new core businesses to develop the skills to ensure tomorrow's growth.

5.2.1.4. An Overview: The Quality Charter

To satisfy its customers' needs, **Infotel** undertakes to:

- Listen to their needs, and anticipate future requirements with ongoing R&D in leading-edge technologies;
- Manage their projects functionally and technically;
- Go beyond their expectations in terms of advice, deadlines and performance.

To satisfy its employees, **Infotel** undertakes to:

- Bring out their potential through basic and further training;
- Encourage development with ongoing coaching from management;
- Drive career advancement through rewarding tasks.

To respect its environment, **Infotel** undertakes to:

- Comply with regulations and internal guidelines;
- Continue its efforts to save resources;
- Encourage environmentally friendly behavior among its employees and subcontractors.

In summary: ***"Searching for excellence in what we do well, and doing what we do well"***.

5.2.2. 2017: A New 5-year Strategic Plan

To drive its growth, in 2017 **Infotel** defined a new 5-year growth plan.

This plan is based on three basic pillars:

- **Innovation**: since the creation of **Infotel**, innovation, whether technical, methodological or business-oriented, has always been a major part of the company's identity. Infotel has always remained at the cutting edge, integrating technologies and methods that did not exist at the time of its creation. With this new plan, **Infotel** intends to:
 - Direct the growth of the application assets of its customers;
 - Become a guiding force of IT transformation and their digitization;
 - Strengthen collaboration between the technical and business aspects of its customers;
 - Drive the switchover to the digital era;
 - Continually innovate by adapting to Agile methods and means;
- **Ambition**: remaining one of the leading partners for our customers ensures the growth of the Group and fulfilling careers for our employees;
- **Continuity**: as the results demonstrate, we have developed a winning model. Over the five years of this new plan, **Infotel** will:
 - Pursue a growth strategy with major accounts through the creation of service desks;
 - Assist the IT departments of major accounts in their path to mobility;
 - Help major accounts manage vast amounts of Big Data;
 - Increase internationalization.

This plan addresses three goals:

- Outperform the market;
- Maintain a good level of operating profitability;
- Double the size of the company in five years by integrating acquisitions.

The actions taken to achieve these goals will be discussed later on in this document.

5.2.2.1. Service Desks

The context of the relationship between major contractors and service companies has changed; they are no longer looking for resources, but a total commitment. **Infotel**, which was at the forefront of this change, wants to base its growth on fixed-price services in service desks.

The service desk consists of taking complete charge of a company's IT developments and maintenance, along with specific commitments (service quality, prices, deadlines, etc.).

These last few years were witness to the spread of this operating mode which now makes up almost all of **Infotel's** service provision offering in its various forms:

- Fixed-price services consist of taking complete charge of application development, from design to implementation. These can be unitary fixed-price services, obtained following a response to a call for tender for a new customer, or fixed-price services for development within the service desk of an existing customer. In any case, it is the technical culture of teams who know how to assess loads and risks, and follow deadlines, as well as the expertise in developments and tests that constitute **Infotel's** competitive advantage;
- TPAM and TPSV:
 - TPAM (Third-party Application Maintenance) consists of sub-contracting all upgrades of one or more applications or sub-systems;
 - TPSV (Third-party Software Validation) consists of sub-contracting, for one or more applications or sub-systems, all test and acceptance operations, functionally, technically, for performance, etc.
- The location of service desks: The service desk is efficient if it is close, geographically and culturally, to the customer. **Infotel** continues to give priority to this approach of proximity through its branch offices, rather than turn to distant offshore solutions that only offer short-term gains with respect to labour costs.

5.2.2.2. Mobility

The switch-over to mobility represents a major challenge in the digitization of IT systems for major accounts. Having integrated users connected to the Web via PC-type computers, we must now offer services and applications for these new types of terminals that include smartphones and tablets.

Prior to the outbreak of the Covid-19 crisis, analysts believed that 2020 would be the year of a return to growth for the smartphone market. "It is clear that this will not happen," IDC warns.

2021 will indeed see growth. However, this will be a correction after this year's plunge in the market. 2021 is therefore expected to be characterised by a 9% increase in deliveries. But the "true recovery will not happen until 2022, when smartphone volumes return to pre-crisis levels."

Finally, 5G should contribute to this. However, other growth factors are also expected, and particularly expansion in developing markets. "We continue to see a strong trend towards entry-level and mid-range 4G devices in developing regions, which account for more than 80% of smartphone volumes in these regions."

Moreover, these opportunities were already tangible for manufacturers such as Samsung and Xiaomi in Q3 2020. India is the Korean company's largest market, accounting for 15% of its deliveries. Samsung also posted growth of nearly 40% year-on-year thanks to its strong performance in the under \$250 price segment.

However, the world's largest manufacturer is closely followed by rivals, first and foremost Xiaomi. India quite simply accounted for 53% of its smartphone deliveries in Q3. The manufacturer restored its production capacity to nearly 85% of its pre-pandemic level. It was therefore able to respond to strong demand.

Mobile terminals will be an even greater driving force for growth in the coming years and **Infotel's** goal is to support key account IT departments in the switch to mobile communications. This requires technical and functional skills (capability to manage different platforms, operating with systems such as Android, and iOS), transforming all the applications on these platforms while remaining attentive to user demands.

Infotel's teams have already shown their skills (for example, by implementing iPad and Android banking applications) and are able to meet this new challenge. The creation of a digital subsidiary agency in 2018 to bring the OAI company into existence, has further asserted a determination to focus on the techniques and methods expected by key accounts (digitalization, user experience, Scrum, agility, etc.), an approach which has resulted in winning new contracts.

5.2.2.3. Big Data

According to an IDC study in 2018, the total amount of data stored on our planet will reach 175 zettabytes in 2025 or 5.3 times more than today. That same year, the total volume of information stored in computer systems around the world amounted to 33 Zo.

Still according to this study, the data are less and less concentrated in the United States. In 2018, the country of Uncle Sam was overtaken by China as the first global “datasphere”. This Asian country on its own is expected to overtake the entire EMEA zone in 2025.

Since its creation, **Infotel** has specialized in databases for large volumes, even before the term “Big Data” came into use. For this new plan, **Infotel’s** hope is to help major accounts in managing Big Data, and it has the advantage of in-depth knowledge of complex databases.

This consideration of big data covers a number of dimensions:

- Continuing and extending its relationship with IBM in marketing powerful utility software aimed at large databases;
- Developing **Infotel** software ranges for archiving, database management, quality and performance;
- Developing tools and associated services, such as e-vaults and business intelligence;
- Researching and developing new algorithms to create the software of the future.

5.2.2.4. Internationalization

During the period covered by this plan, **Infotel’s** goal is to increase the share of its business abroad by making the most of its global customers and software.

To achieve this objective, the Group will use a number of channels that:

- Cover the service needs of our customers abroad (such as, for example, Airbus, the European Patent Office, BNP Paribas, etc.);
- Expand the distribution of our software internationally, by using the skills of the Insoft Infotel Software GmbH subsidiary in Germany and its network of distributors, as well as those offered by our subsidiaries Infotel Corp in the USA and Infotel UK Consulting Ltd, in the UK;
- Develop references for our Arcsys software internationally, by continuing the work done in Belgium and Luxembourg, and growing the sales of our Orlando framework with airline companies the world over.

5.2.2.5. The impact of Covid-19

In the face of the crisis, companies are cutting budgets. Over the whole of 2020, Gartner therefore expects global IT spending to fall by 7.3% to \$3,500 billion. However, the firm expects a faster recovery, unlike the rest of the economy, which is expected to experience an uneven recovery.

The most affected expense item is terminals, with an expected drop of 16.1% in 2020. However, homeworking was accompanied by a temporary increase in terminal purchases. But the outlook is not very promising for manufacturers: these expenses are unlikely to return anytime soon to 2019 levels.

After the soft spot in 2020, global IT spending could recover strongly next year. Gartner expects IT spending - including data centers, business software, devices and IT and communication services - to increase from around \$3,600 billion to \$3,800 billion in 2021.

However, the pandemic did not only have negative effects. It has required companies to implement certain transformations. As a result, demand for other technologies, such as videoconferencing tools or public cloud offerings, is growing. For next year, Gartner expects more generally a strong recovery in the software sector. Its spending will see the strongest rebound (+7.2%). Data center systems will follow with the second fastest growth, at 5.2%. Major infrastructure providers are accelerating the construction of data centers globally.

Hardware modernisation is being overshadowed by software modernisation. “Business IT needs are increasing, but businesses have less money to spend on it. This is why they are reducing the budgets allocated to certain areas, such as changing mobile phones, or printers. As a result, growth will decrease in the terminal and communication services segments,” explains Gartner.

5.3. SERVICES: CUSTOM SOLUTIONS FOR CUSTOMERS

In this activity, **Infotel’s** services consist of consulting, researching and carrying out the complex and innovative solutions integrating the most cutting-edge technologies.

Infotel has its own notion of service. To **Infotel**, service means:

- Becoming a privileged partner for companies wishing to upgrade their IT systems by offering them high-quality services based on our skills and the technical edge of our Group’s teams;

- Anticipating on an ongoing basis the demands and needs of our customers by remaining on the leading edge of emerging technologies to assist our customers in taking these technologies on board and using them to their best advantage;
- Consolidating and strengthening the loyalty of our major customers (**Infotel's** first customers are today among our biggest customers) by continuing to remain attentive to their needs and to market developments;
- Positioning ourselves, with our service desks, as a player close to our customers and their concerns, their problems, their culture, their geographical facilities, and their teams.

5.3.1. The Infotel Difference

Technical Skills

The **Infotel** expertise covers all company IT system layers, from workstations to central servers:

- At the client workstation level (front-end), with browsers, languages such as HTML, XML, JavaScript, Java, techniques such as Ajax and Rich Client, and the integration of mobile terminals (smartphones, tablets, etc.) and connected objects (watches, for example) as essential components for client-oriented IT systems;
- At the intermediate server level (middle-end), with expertise in middleware, network and firewall layers, operating systems such as Windows or Unix and variants such as Linux, application servers such as WebSphere or Tomcat, Java (JEE) and EJBs, etc.;
- At the central server level (back-end), with a recognized expertise in operating systems such as z/OS, real time monitors (CICS, IMS), relational database management systems (IMS, Db2, Oracle and Hadoop, etc.), languages and applications.

At **Infotel**, technical skills, whether they are well established or emerging, are at the heart of our core businesses.

Expertise in all Our IT Service Activities

Infotel covers the entire application lifecycle, from their initial design to their development and beyond deployment.

Infotel teams are present:

- During the analysis phase, at the level of architecture decisions, methodological choices, specifications and design;
- During the development phase, by taking partial or complete responsibility (on a fixed-price contract basis) for building applications and carrying out tests and third-party application acceptance;
- During operational functioning, ensuring application maintenance (in service desks with TPAM and TPSV activities), performance audits and optimization initiatives that make the most of investment.

For all phases in the application lifecycle, **Infotel's** experience is a guarantee of quality.

Client Proximity

Infotel has facilities that cover the needs of its customers:

- Offices in the Paris area, in Paris, Neuilly-sur-Seine and Nanterre;
- Coverage in the south west of France with its Toulouse agency;
- Offices in the west and in the center, including Rennes, Nantes, Le Mans, Niort, Bordeaux, Orléans and Brest;
- Offices in the south east in Lyon, Dijon, Nice, Aix-Marseille;
- and in the north and east with Lille.

An Adapted Organization and Resources

To best serve its customers, **Infotel** has human and equipment resources:

- The management team is made up of true professionals who have all worked in IT service;
- A R&D section whose goal is to maintain a technological watch on a permanent basis to guarantee technical excellence;
- Technical platforms with the hardware and software necessary to anticipate training needs for staff and project execution.

5.3.2. Some of the Infotel Group's World-Class References

In its service activity, **Infotel** operates in four key markets:

- **Banking/Finance:** Banque de France, Groupe BNP Paribas, Groupe Banques Populaires / Caisse d'Épargne, Natixis, Groupe Crédit Agricole, CACIB, Groupe Crédit Mutuel, Société Générale, Fortuneo, La Banque Postale, Oney, ProCapital, Boursorama, HSBC, CACF (Sofinco), Virgin Money, etc.
- **Insurance/Pensions:** Allianz, AGIRC ARRCO, AG2R, APB, Aviva, AXA, Europ Assistance, GENERALI, Groupama GAN, GMF, Humanis, KLESIA, Lybernet, MAAF, MAIF, MACIF, Malakoff Médéric, MGEN,

Covea, NOVALIS TAITBOUT, PRO BTP, SCOR, SMABTP, SMACL, Swiss Life, Systalians, Verspieren, etc.

- **Industry:** Airbus, Airbus Defence and Space, Airbus Helicopters, ATR, Safran, Groupe PSA (Peugeot, Citroën), Siemens, Groupe Total, Fromageries Bel, LDC, Daunat, Coopagri, Roquette, Sanders, Nissan, etc.
- **Transport / Services / Telecommunications / Distribution / Administration:** Air France KLM, Bouygues Télécom, CGEA, EDF, Éducation Nationale (CINES, CNOUS, CROUS, Rectorats), EPO (European Patent Office), Euroclear, ERDF, ENGIE, ENEDIS, Gefco, Groupe Accor, Groupe Leclerc, La Poste, Lyra Networks, Nouvelles Frontières, Orange, Semvat, SNCF, Sysmedia, Yves Rocher, Système U, Groupe Barrière, Veritas, Ouest France, Isocel, Cdiscount, Vinci Autoroutes, Cegedim, Virgin Atlantic, etc.

5.4. SOFTWARE: LARGE IT SYSTEM TOOLS

5.4.1. Designing and Marketing Leading Software

Databases are a vital resource for companies. Efficient tools are needed to best manage databases and ensure operational optimization and sustainability.

Since its inception, **Infotel** has developed software improving the operation of large IT systems, such as Infopak, the leader in database compression.

This software is developed by **Infotel** teams based in its laboratories in Paris and Toulouse.

It is marketed in France and in French-speaking Europe by **Infotel's** sales teams, and in the rest of the world by distributors or by IBM for software subject to distribution agreements.

5.4.2. Software that Meets the Needs of Large IT Sites

Infotel designs, develops, markets and maintains software, which is upgraded, added to and fine-tuned over time. The common area is big data management in all its dimensions.

Infotel software packages are divided into three product lines:

Digital archiving

Arcsys software provides a global solution to all organizations wishing to implement a sustainable and secure archiving platform for their electronic data. Arcsys guarantees the retention of all information and provides search and restore functions for data years later.

Intelligent Database Management

iDBA-Online is an intelligent management solution for administration and maintenance operations for Db2 databases. The software optimizes practical tasks such as reorganizations and back-ups, according to business constraints and their impact on application costs. iDBA-Online incorporates artificial intelligence techniques that make it a genuinely intelligent database administrator.

Quality Application Testing

Infoscope brings the global solution to any organization wishing to implement a quality control approach to its application portfolio. Based on modular architecture, the platform covers the entire software quality control process from source code verification to functional testing.

The Infoscope range has been restructured to be consistent with the functionality of the **DB/IQ** range, the SQL access quality control software developed by our German subsidiary Insoft Infotel Software GmbH.

Other Software

In addition to these three lines, **Infotel** continues to support its older software (such as InfoPak, InfoVic, and InfoUtil). It also develops new software, marketed directly or through its subsidiaries or partners and distributes software written by other partners (such as zCost, SQData, etc.) to complement their offering.

Orlando, new software developed by **Infotel**, has been designed to meet aircraft manufacturers' and airlines' needs to address their technical documentation problems. Currently in the commercial launch phase, Orlando has already gained some significant references, such as the aircraft manufacturer ATR, and companies such as Air France, Air Transat, Allegiant (the first licence in the United States) and Spanish airlines Fly Level and Wamos Air. In 2020, despite the pandemic, new references were acquired, such as American Airlines, Flyadeal, Spirit Airlines and Emerald Airlines. However, we will have to wait for the recovery in air traffic to see a significant take-off in sales.

Infotel also launched an initiative to create a new software: a “Tour de France of ideas” took place at the end of 2019, and an initial phase of the creation process resulted in the creation of the **C3D2** (Centre of Excellence Rapid Development) offering, targeted at Business Departments and IT Systems Departments to take into account what is called “Shadow IT”. This offering, which aims to create a service dedicated to the rapid development of web and mobile applications, has already attracted prestigious references and provides our teams with a new commercial entry point.

Agreements with IBM

In March 1999, **Infotel** and IBM signed the first global commercial distribution agreement. It allows IBM to sell “DB2 High Performance Unload for z/OS” under its own name. This is software for fast unloading DB2 mainframe databases developed by **Infotel**. A new agreement was signed at the beginning of 2002 for a software package delivering fast unloading of multi-platform databases, now known as “InfoSphere Optim High Performance Unload for DB2 for Linux, UNIX and Windows”.

In 2011, new backup data management software developed by **Infotel**, “Db2 Merge Backup for UNIX and Windows Linux”, was introduced to complete the range.

These agreements generate the payment of royalties which significantly contribute to the profitability of the Software activity.

5.4.3. Technical support

Infotel provides technical support 24/7 for customer questions. On product purchase, a direct telephone number is made available to customers to put them in contact with the support service, for technical assistance in French or English, at any time.

5.5. MAJOR MARKETS

5.5.1. The Market for Software and Services in France

Syntec Numérique, in its press release of December 3, 2020, analyzed the French software and services market as follows:

[2020 report and outlook for the digital sector in 2021: the sector is not slowing as much as expected

The digital sector appears to be less impacted by Covid-19 than expected, with a revenue decline estimated at -4.6% in 2020. Growth of +1% is expected for 2021, but this rebound remains limited and contingent on the development of the health crisis and the economic situation of customers.

Confirmation of the resilience of the digital sector

The Covid-19 crisis looks set to have less impact on the digital sector than expected: a drop in revenue of -4.6% is expected for 2020, or 2.1 points less than the -6.7% decrease initially anticipated in July. The situation is mixed depending on the businesses: software publishers are faring better and are expected to grow by +0.3% vs. 2019, while digital services companies are expected to post a decline in revenue of -4.2%. Technology consulting activities were hit particularly hard with a drop of -12.3% due to their exposure to the aerospace and automotive sectors hard hit by the Covid-19 crisis.

- *Technology consulting -12.3%;*
- *Consulting and services -4.2%;*
- *Software publishing +0.3%;*
- *Technology consulting +4.4%;*
- *Sector -4.6%.*

(Source IDC / Syntec Numérique).

Confirmation of the resilience of the sector: while we have not yet seen a significant recovery in calls for tender, they are stabilising. Accordingly, there was a 46% decrease in calls for tender in Q3 2020, compared with 83% for H1 2020. The order book remained light (21% improvement in Q3 2020) but the book-to-bill (ratio between new orders taken and invoices) is gradually increasing: it was positive or neutral for 56% of companies in the third quarter (vs. only 20% in the first half of the year)!

SMACS (Social-Mobility-Analytics-Cloud) remain the market drivers, with significant growth estimated at €900 million in 2020, or +6.4% vs. 2019. The cloud remains the leader, with a market of €6.7 billion, up +12.2% vs. 2019.

With regard to the impact on the labour market, the situation is mixed: 2 out of 3 companies in the digital sector say they have stabilised or increased their workforce in 2020. The risk of job cuts is highest for ICT companies, with more than 10,000 jobs at risk according to Syntec Numérique. Currently, the digital sector accounts for more than 530,000 jobs, 80% of which are managers and 93% permanent contracts.

2021: a limited and disparate rebound depending on the sectors

In 2021, the digital sector expects growth of +1% overall. The return to growth can be explained primarily by IT spending, which will see a significant increase for 53% of organizations (customers & prospects) in 2021. However, this rebound remains limited and dependent on the economic situation of customers: renegotiations of supplier contracts (thus price pressure) will be the second IT priority for 60% of customers of digital companies, which have already launched or will launch projects in this direction in 2021.

The situation varies depending on the sectors: software publishers will recover the fastest (+3.8% growth) followed by digital services companies (+1.1% growth). As ICT companies have seen a larger decline than other sectors this year, their rebound will be slower and these companies will continue to experience a decline in 2021 (-3.3%).

Software publishers: growth driven by software tools and SaaS

It is for software publishers that the recovery will be the fastest: +0.3% growth in 2020 (vs. +6.6% growth in 2019) and +3.8% growth expected in 2021. Growth is primarily driven by software tools (+0.7% in 2020, +5.1% expected in 2021). Software tools include analytical tools, tools for data, development, integration, orchestration and quality management. Their expected soundness can therefore be seen both as a reflection of customers' investments in data and in the modernisation of their application assets. The SaaS model (hosting and updating of operating software on remote servers) remains particularly dynamic and accounted for 40% of new projects in H2 2020. The 3 priority drivers identified to maintain activity in 2020 and 2021: strengthening the SaaS model, R&D with the development of new offerings and new features and compliance.

- Software tools: 2020 +0.7% 2021 +5.1%;
- Application software: 2020 +0.4% 2021 +3.2%;
- Infrastructure software: 2020 -0.6% 2021 +3.6%.

(Source IDC / Syntec Numérique).

Digital Services Companies: cloud and cybersecurity, priority drivers of the recovery

For Digital Services Companies, it is the development of new cloud/SaaS offerings that will be the main driver to maintain activity, closely followed by the development of cybersecurity-based offerings. The development of Cloud offerings is intensifying, and is expected to reach 24.3% of the market share of the Digital Services Company sector in 2021, representing growth of +14.7% (vs. +5.6% in 2020).

The Digital Services Company sector is the second least affected by the Covid-19 crisis: while we saw a drop in revenue of -4.2% in 2020, the sector will return to growth in 2021 with +1.1% expected growth.

Technology Consulting: saving and transforming the industry through training

This is the sector most impacted by Covid-19: after growing by +5% in 2019, ICT companies are expected to see a drop in revenue of -12.3% in 2020. The situation will improve in 2021, with a smaller decline of only -3.3%.

Depending on the depth of the impact of Covid-19 on the customers of ICT companies, the recovery will be faster or slower: from 0 to 6 months for energy or telecoms, from 6 to 12 months for the automotive sector and more than 12 months for aerospace. In order to maintain and develop skills in France during these periods, the focus must be on training. 20,000 highly qualified consultants are still on short-time working in ICT companies, with a long-term impact on certain employment hubs, in particular the Occitanie, PACA and Nantes regions, that are associated with the aerospace sector.

Digital companies stand out for their CSR policy

For the first time, Syntec Numérique took advantage of its traditional half-yearly survey to ask digital companies and their customers about CSR issues. In general, digital companies feel particularly concerned: more than 8 out of 10 of them believe that companies have an important role to play in changing attitudes on societal, environmental and ecological issues. This observation has been acted upon: 1 out of 2 digital companies has a CSR officer and more than 1 out of 4 reports at least once a year on the subject. In addition, 30% of digital companies have clear and measurable CSR objectives that are communicated by the management across the organization. The results are particularly interesting because they also apply to smaller companies, which do not necessarily have the financial resources of large groups. Gender equality is a crucial issue that facilitates the recruitment of women, who are still under-represented in the digital field: 78% of companies have aligned the salaries of male and female employees, based on an equivalent level and diploma, and 74% have put in place a strategy of diversity and equality in hiring. Finally, CSR has become a commercial issue for digital: 50% of calls for tender and responses to calls for tender include elements of CSR policy.

"The digital market is proving more resilient than the sector average in France, as it is driven by the digital transformation of organizations," says Godefroy de Bentzmann, Chairman of Syntec Numérique. "Syntec Numérique welcomed the stimulus plan for the economy when it was announced, considering it to be commensurate with the crisis we are experiencing. The efforts are substantial and we must welcome it! However, the results have not yet been felt in the day-to-day lives of our companies (particularly ICT companies that have

been significantly impacted by the crisis). Training must remain one of the priorities for 2021 in order to continue to focus on skills development and prepare for the future.”]

Infotel's position

Infotel appears in 26th position in the TOP 2020 ranking of French digital services companies based on revenue generated in France in 2019, published by i-Logiciels & Services on June 17, 2020.

5.5.2. Distribution of Infotel's Activities

More detailed information on the breakdown of Infotel's activity is provided below:

Breakdown by activity

€k	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Services	226,874	96.4	239,918	96.6	223,329	96.4
Software	8,361	3.6	8,470	3.4	8,368	3.6
including IBM royalties	4,453		4,407		4,343	
Total	235,235	100	248,388	100	231,697	100

Breakdown by geographical region

€k	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
France	211,518	89.9	222,690	89.7	210,455	90.9
Europe (Excluding France)	18,704	8.0	20,591	8.3	16,319	7.0
United States	5,013	2.1	5,107	2.0	4,923	2.1
Total	235,235	100	248,388	100	231,697	100

Service activity breakdown by economic sector

	% revenue 2020	% revenue 2019	% revenue 2018
Banking, Finance	41.0%	36.1%	38.2%
Insurance/Pensions	14.2%	12.5%	12.5%
Industry	24.5%	28.2%	26.2%
Services/Transport/Telecommunications	17.1%	21.2%	21.3%
Administrations	3.1%	2.1%	1.8%

Breakdown of the revenue of the ten largest customers of the Services activity

Revenue per Customer (€k)	2020	% revenue 2020	2019	% revenue 2019	2018	% revenue 2018
Client No. 1	35,364	15.0%	45,236	18.2%	38,741	16.7%
Client No. 2	27,836	11.8%	24,997	10.1%	25,481	11.0%
Client No. 3	23,217	9.9%	23,662	9.5%	24,314	10.5%
Client No. 4	20,878	8.9%	16,795	6.8%	15,763	6.8%
Client No. 5	13,659	5.8%	15,534	6.3%	14,911	6.4%
Client No. 6	12,291	5.2%	14,746	5.9%	14,241	6.1%
Client No. 7	8,424	3.6%	11,847	4.8%	11,588	5.0%
Client No. 8	8,420	3.6%	9,196	3.7%	8,379	3.6%
Client No. 9	5,893	2.5%	5,064	2.0%	5,439	2.3%
Client No. 10	2,997	1.3%	4,363	1.8%	5,157	2.2%

The difference in revenues and profit/loss by sector is described in section 18.2.6.9 “Segment reporting” on page 125.

Competition in Services

For its Service activities, **Infotel** encounters, according to contract type, a number of players:

- International players (such as Capgemini, Tata Consultancy Services, and Atos) for customers seeking suppliers that ensure them coverage that exceeds the territory; **Infotel** is able to address this competition by driving or participating in consortiums that can offer its customers business and territorial coverage meeting their needs;
- National players representing the largest service companies such as Sopra-Steria, GFI Informatique, etc.; **Infotel** is able to compete with these competitors in calls for tender that are often awarded to **Infotel** due to the relevance of its responses and the quality of its solutions;
- Local or specialized players with specific skills in software, solutions, functional domains or particular customers.

Infotel's wide ranging areas of activity mean that the Company does not always come up against the same competitors, and the professionalism of its teams often places **Infotel** at the top of customers' preferred suppliers.

Competition in Software

In its Software Publishing activity, **Infotel's** two main competitors are large American publishers: Computer Associates and BMC Software, who are also IBM adversaries in their strategy to conquer the utility software segment for relational databases. Their recent change in shareholders could affect their positioning.

For archiving and digitization, **Infotel** encounters both hardware suppliers and integrators, such as, for example, EMC, purchased by Dell (which bought out Documentum and Legato), and IBM (which bought out FileNet), and smaller companies seeking to take advantage of the dynamism of this market segment. **Infotel's** double skills set (software publishing and IT service provider) is an asset, as customers prefer a single point of contact capable of customizing and implementing solutions.

5.5.3. Infotel's Position as a Software Publisher

In the TOP 2020 ranking of French software publishers based on the revenue generated in France in 2019, published by i-Logiciels & Services on June 24, 2020, **Infotel** appears in 98th position.

5.6. EXCEPTIONAL EVENTS

The Covid-19 pandemic is an exceptional event that hit the global economy in 2020. However, its impacts on **Infotel's** 2020 accounts are not significant thanks to the Group's sound management

In addition, after maintaining its headquarters in the Tour Gallieni II in Bagnole for 35 years, **Infotel** has transferred its headquarters to its new premises in the Valmy building located at 4/16 avenue Léon Gaumont 75020 Paris.

5.7. INTELLECTUAL AND INDUSTRIAL COPYRIGHT

Infotel owns the industrial and intellectual copyright for its software. **Infotel** has implemented procedures aimed at protecting its rights, notably by imposing a confidentiality agreement on personnel with access to the Company's legacy information, and by restricting access to the Company's software source codes. **Infotel** complies with the regulations concerning commercial secrets and copyrights, which nonetheless provide limited protection to ensure the protection of its software products and documentation and miscellaneous written media. **Infotel** may take measures to protect its intellectual and industrial property rights based on copyright laws and trademark and product applications, commercial secrets, confidentiality agreements and contract terms and conditions.

The **Infotel** trademark and that of its products are registered in Europe, North America and in a number of Asian countries.

Infotel sells licenses and intellectual property in exchange for the payment of fees.

The software source codes have been filed in France with the Agency for the Protection of Programs.

5.8. COMPETITIVE POSITION

The competitive position of the **Infotel** Group is described in section 5.5 “Major Markets”.

5.9. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

During 2020, the **Infotel** Group has engaged in research and development efforts for its Software and Services activities.

Spending on software research and development has been focused on innovative software:

- Arcsys (archiving technology platform), including:
 - the continuation of work to adapt encryption systems to products making it possible to only re-encrypt the “Encryption Key Scheme” during a change of algorithm;
 - the implementation of an electronic signature verification and validation system in archiving systems;
 - the implementation of PDF generation libraries for archiving system proof files;
 - the integration of a new SIP format;
- Further research and development on other products in the **Infotel** range, including:
 - the development and optimisation of algorithms for automatic SQL order analysis;
 - research related to the development of a Cluster C Framework to optimise performance;
 - the expansion of native support for SQL scalar functions;
 - the use of OpenSSL for data encryption and decryption;
 - studies for the management of databases with a specific classification sequence for chain comparisons;
 - research to develop a debugger for z/OS applications in an IBM-ZDT emulation environment to improve performance.

For this activity, development costs amounted to €1,473k in 2020, fully capitalized before the allocation of the CIR (research tax credit).

For Services, the research and development expenses covered various points among which we can mention:

- the continuation of research in the area of the self-classification of patents ultimately enabling patents to be automatically classified based on their texts using Word2Vec and Doc2Vec methods, which are “monolayer” neural networks;
- the development of algorithms in the area of the prediction of incidents on support platforms with machine learning techniques and tools;
- ongoing research related to the design of algorithms and non-textual information processing tools in unstructured PDF documents.

Research costs for these service activities totalled €1,186k, corresponding only to staff costs taken into account for calculating the CIR.

The table below summarizes expenses for research and development over the last three years:

In €k	2020	2019	2018
Capitalized development costs	1,473	1,370	1,826
Development costs of the Orlando software	1,009	1,162	1,997
Development costs recorded as expenses	1,186	1,145	1,449
Total cost of research and development	3,668	3,677	5,272

6. ORGANIZATIONAL STRUCTURE

As of December 31, 2020, **Infotel** directly held 100% of the capital stock of its French subsidiary **Infotel Conseil**, 33.33% of its French subsidiary **Archive Data Software**, 70% of its French subsidiary **OAIO**, 51% of its British subsidiary **Infotel UK Consulting Ltd** and 100% of its other foreign subsidiaries. **Infotel Conseil** wholly owns **Coach'IS**, a company that wholly owns **Collaboractif Portail Services**. **OAIO** owns 100% of **Infotel Business Consulting**.

The scope of the Group, as well as the percentages of control and interest are described on page 114 in section 18.2.6.6 “Statement of facts and scope of consolidation”.

6.1. INFOTEL'S POSITION WITHIN THE GROUP

Infotel is the lead holding company for the Group, and performs training, design and software sales activities. It also carries out software research and development for the Group. **Infotel** owns the intellectual copyright for its software.

The Executive Committee is shared by **Infotel** and its main IT service subsidiary **Infotel Conseil**, whose weight in the economic activity of the Group is the largest of all the subsidiaries.

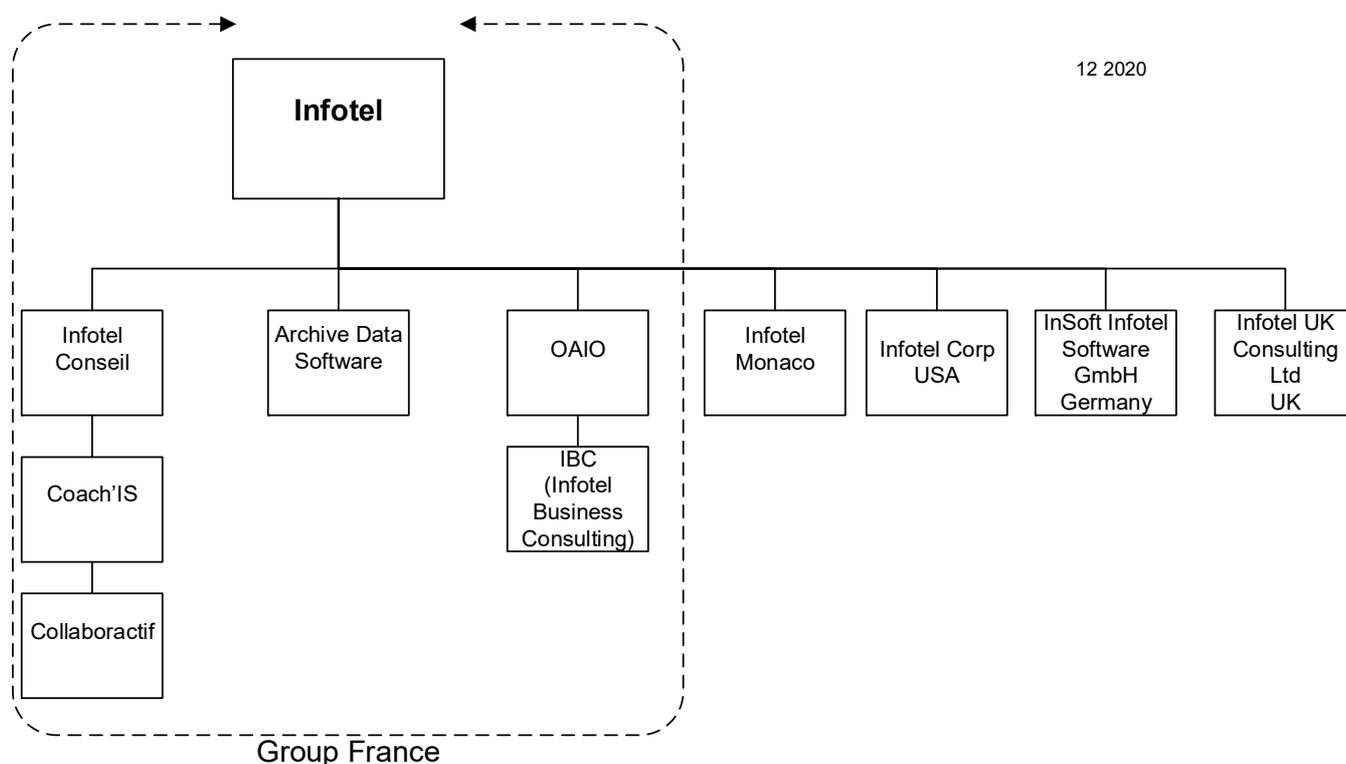
Infotel's own results can be found in section 18.3 “Annual financial statements” on page 128.

6.2. SUBSIDIARIES

6.2.1. Description and Activities of Subsidiaries

Infotel is the parent company of the Group including, as of December 31, 2020, the French subsidiaries **Infotel Conseil**, **Infotel Business Consulting**, **Archive Data Software**, **OAIO**, **Coach'IS** and **Collaboractif Portail Services** and four subsidiaries abroad.

The stockholders and the control of the Group is described in chapter 16 “Major Stockholders” on page 95.



Infotel Conseil performs the service provision activities of the Group. It is based in Neuilly-sur-Seine, and carries out its activity in the Paris area; in the west and center of France from its offices in Rennes, Nantes, Le Mans,

Orléans, Niort, Brest and Bordeaux; in the south west from its site in Toulouse; in the south east from its offices in Lyon, Dijon, Aix-Marseille and Nice; and in the north east from its office in Lille.

The company **OAI** is based in Neuilly-sur-Seine and operates as a consultant in the digital field. It covers sectors undergoing major transformation seeking innovation such as banking, insurance, the automotive industry and aeronautics.

The company **Infotel Business Consulting** is based in Neuilly-sur-Seine and provides operational consultancy for companies in the financial, banking, insurance and industrial sectors.

The company **Archive Data Software** is based in the Lyon area and specializes in digital archiving.

The companies **Coach'IS** and **Collaboractif Portail Services** are based in the Lyon area and provide IT services.

The company **Infotel Monaco** based in the Principality of Monaco performs IT service activity.

The company **Infotel UK Consulting Ltd** (Newcastle) performs IT service consultancy activities in the UK.

Other subsidiaries abroad distribute software developed by **Infotel** for export:

- **Infotel Corp.** (Tampa - Florida) provides technical support in the United States and manages certain distributors;
- **Insoft Infotel Software GmbH** (Düsseldorf) designs, develops and markets technical software in the IBM Db2 sector.

The percentages of ownership interest and voting rights held by the issuer in its subsidiaries are set out in the paragraph of the notes to the consolidated financial statements in section 18.2.6.6 "Statement of facts and scope of consolidation" on page 114.

6.2.2. Infotel Conseil Activity

Revenue for Infotel Conseil, 100% owned, amounted to €221,985k for the fiscal year 2020 compared to €231,765k for the previous year, representing a decline of around 4.22%.

Operating costs fell by 1.51%. They went from €212,861k in 2019 to €209,646k in 2020.

Operating income amounted to €14,965k, representing 6.74% of the revenue for 2020, while operating income for the previous fiscal year stood at €20,134k, accounting for 8.69% of the revenue.

The financial result showed a profit of €64k compared with €106k for the previous year.

After deducting income tax of €3,687k and employee profit sharing for an amount of €1,758k, the net result amounts to €9,621k compared to €11,460k for the previous fiscal year.

6.2.3. OAI Activity

The OAI company, 70% owned by **Infotel**, generated revenue of €4,129k in 2020 compared to €3,475k in 2019, representing an increase of 18.82%.

The operating profit of €634k accounts for 15.35% of the revenue for 2020, while the operating profit for the previous fiscal year stood at €592k, accounting for 17.05% of the revenue.

After deducting income tax for an amount of €144k, plus employee profit sharing of €91k, the net result amounts to €400k compared to €301k for the previous year.

6.2.4. Infotel Business Consulting Activity

Infotel Business Consulting, 100% owned by **OAI**, generated revenue of €4,537k for the fiscal year 2020 compared to €4,865k for the previous year, representing a decrease of 6.74%.

Operating costs fell by 4.49%. They went from €4,384k in 2019 to €4,187k in the last financial year.

Operating income was €515k, representing 11.34% of revenue for the fiscal year 2020, whereas operating income for 2019 stood at €508k and represented 10.44% of revenue.

After deducting income tax for an amount of €130k, plus employee profit sharing of €86k, the net result amounts to €298k compared to €353k for the previous fiscal year.

6.2.5. Coach'IS Activity

Coach'IS, wholly owned by Infotel Conseil, generated revenue in 2020 of €177k and a net profit of €118k.

6.2.6. Collaboratif Portail Services Activity

Collaboratif Portail Services, wholly owned by Coach'IS, generated revenue in 2020 of €82k and a net profit of €60k.

6.2.7. Archive Data Software Activity

Archive Data Software, 33% held by **Infotel**, generated revenue of €998k in 2020, an increase of 3.63%, and a net profit of €3k.

6.2.8. Infotel Corporation Activity (USA)

Infotel Corporation (USA), 100% owned, provides technical support for software in the United States and manages relations with certain distributors.

It generated revenue of €560k in 2020, down 20.23% (€702k in 2019) and a loss of €340k compared to €160k for the previous fiscal year.

6.2.9. Infotel Monaco Activity (Monaco)

Infotel Monaco (Monaco), 100% owned, generated revenue of €5,458k in 2020 compared to €4,883k for the previous year, representing an increase of 11.76%. Revenue from this activity showed a profit of €1,204k compared to €1,107k for the previous fiscal year.

6.2.10. Insoft Infotel Software GmbH Activity (Germany)

Insoft Software GmbH (Germany), 100% owned, generated revenue of €1,158k in 2020, up 13.42% (€1,028k in 2019). Revenue from this activity showed a profit of €456k compared to €348k during the previous fiscal year.

6.2.11. Infotel UK Consulting Ltd Activity

Infotel UK Consulting Ltd (United Kingdom), with a 51% holding, generated revenue of €2,156k, down 35.45% (€3,613k during the 2019 fiscal year). Revenue from this activity showed a profit of €253k compared to €377k during the previous fiscal year.

6.2.12. Other Information Related to Subsidiaries

Additional information on the subsidiaries, in particular their revenue and profit/loss, is provided below.

€k	Infotel Conseil	Infotel Monaco	Infotel corporation	Infotel Business Consulting	OAI O	Coach'IS	Collaboratif Portail Services	Archive Data Software	Insoft Infotel Software GmbH	Infotel UK Consulting Ltd
Capital	20,000	150	0.87	44	133	300	8	150	50	0.057
Stockholders' equity (excluding capital stock and before earnings)	49,678	528	(184)	178	2,031	324	46	10	729	489
Holding	100%	100%	100%	100%	70%	100%	100%	33%	100%	51%
Book value 12/31/2020	6,269	128	0.87	1,639	1,699	1,519	8	50	2,000	0.07
Loans and advances granted	0	0	0	0	200	0	118	0	0	222
Guarantees in favour of subsidiaries	0	0	0	0	0	0	0	0	0	0
Revenue before tax	221,985	5,458	560	4,537	4,129	177	82	998	1,158	2,156
Profit/Loss	9,621	1,204	(340)	298	400	118	60	3	456	253
Dividends received from the subsidiary	3,000	1,000	0	400	100	0	0	0	450	92.3

Financial flows existing between the Group's companies are as follows:

Management fees	€3,120k	Invoiced by Infotel to Infotel Conseil
Sub-contracting and personnel made available by Infotel Conseil to Infotel	€2,911k	Invoiced by Infotel Conseil to Infotel
Infotel Corporation royalties	€373k	Invoiced by Infotel to Infotel Corp.
Insoft Infotel Software GmbH costs	€8k	Invoiced by Insoft Infotel Software GmbH to Infotel Corp
Civil liability insurance costs	€48k	Invoiced by Infotel to Infotel Conseil, Infotel Business Consulting, and Infotel Monaco
Cash advance	€200k	Advance from Infotel to OAI O
Cash advance	€223k	Advance from Infotel to Infotel Consulting UK

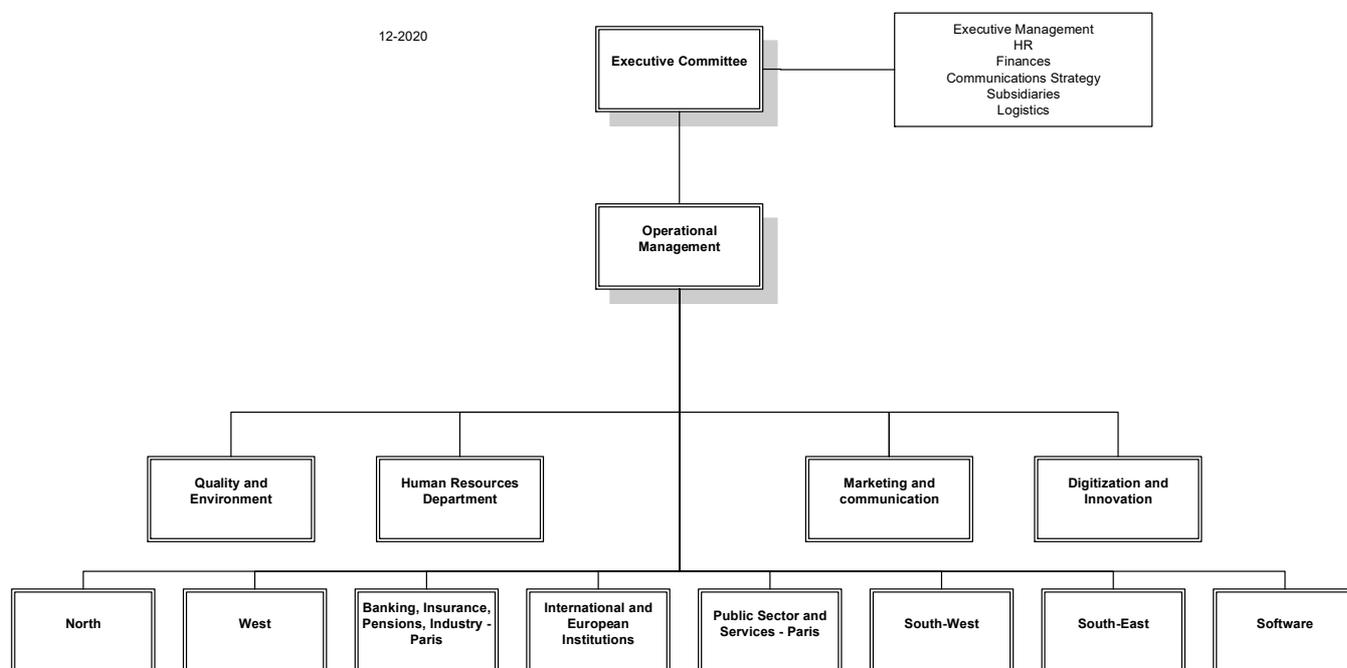
Overview of parent company-subsiidiary relationship				
Consolidated items (excluding dividends) in €k	Infotel Conseil	Other subsidiaries	Infotel	Consolidated total
Fixed assets (including goodwill)	33,985	3,626	18,647	56,258
Debt ex. group	3	0	0	3
Cash on balance sheet	84,845	5,738	8,559	99,142
Total net cash flow	25,844	735	(1,999)	24,580

6.3. FUNCTIONAL ORGANIZATIONAL AND HUMAN RESOURCES

The Group's organization note, an element of the **Infotel** Quality system, describes the Group's organization and operation. The management bodies of the Group carry out functional roles and Operational Management manages departments responsible for establishing and carrying out a set of operations in compliance with the defined strategy and objectives.

6.3.1. Organizational chart

The organizational chart appears here:



6.3.2. Operations

The Executive Committee

The Executive Committee is the decision-making body for the Group.

Its major roles are to:

- Study the measures concerning the Group's operations and their application;
- Perform a monthly assessment of the summary activity report, a quarterly assessment of the detailed report of operational departments, and make decisions leading to the achievement of goals;
- Check the progression of decisions;
- Coordinate the actions of different entities;
- Summon, where appropriate, the persons necessary to manage dossiers and make decisions.

As of December 31, 2020, the Executive Committee for the Group is made up of five members, each with a functional activity:

- Bernard Lafforet, Chairman – Chief Executive Officer;
- Michel Koutchouk, Vice-President, Strategy, Communications and Quality;
- Ms. Josyane Muller, Vice-President, Finance;
- Éric Fabretti, Vice-President, Sales;
- Jean-François Castella, Vice-President, Software.

The members of the Executive Committee share Executive Management, Personnel Management, Financial, Strategy, Quality and Communications Management, Subsidiary Management and Logistics functions. Thus, it works closely with the Financial Department, which is responsible for managing the Group's accounting and cash resources, and performs a management control function. These tasks are performed directly or with the assistance of outside firms.

Operational Management

This management team is responsible, via the regional divisions that it coordinates, for designing, marketing and ensuring profitability for all services with a commitment to results (service desks), technical support and training adaptable to customer needs as well as software.

It is also responsible for implementing the sales policy for the Group, and ensuring that it is followed consistently by all relevant divisions.

It carries out functions that include managing personnel and recruitment as well as operations and subsidiaries. **Infotel's** management places special importance on human resources. In Services and an economic context noted for an increasingly demanding customer base, it is essential that **Infotel** carries out an ongoing recruitment strategy to attract high-quality and committed personnel. **Infotel** achieves this with a HR policy based on the following major elements:

- Motivation of its staff members to whom the Company provides the training necessary for their work with customers, and a career plan that allows them to grow within the Group and carve out a career path. This means the Group's employees stay on in the company longer than the employees of other players in the sector, thus preserving the most important investment for a service company: human investment;
- Technical skills required at all hierarchical levels to allow each staff member, whether beginner or advanced, to efficiently carry out assignments for the customer, under the Company's watchful eye;
- Accessibility of all managers, approachable by all employees for any technical, personal or working relationship issue.

Regional divisions and Software division

The regional divisions are the operational bodies of the Group. A regional division carries out, autonomously, all or part of the functions and core businesses of the Group. The overall goal of the regional division is to design, market, develop and ensure the profitability of all TPAM and TPSV, training and technical assistance services and adapt them to customers' needs in a specific territory. The Software division is responsible for the design, development, maintenance and technical support of Software.

There are currently eight divisions:

- Banking, Insurance, Pensions and Industry - Paris;
- Public Sector and Services - Paris;
- International and European Communities;
- West;
- South-East;
- South-West;
- North;
- Software.

The sales engineers are attached to the divisions.

6.4. PREMISES USED BY THE GROUP

Premises	Surface in m ²	Type of premises	Annual rent €	Rent per m ²	Owner or Agent
Infotel 4-16, Av. Léon Gaumont 75020 PARIS * Headquarters – 1 st , 3 rd , 4 th and 5 th floor	4,544	Offices	1,499,520	330	SEFAL
Infotel Conseil 13 rue Madeleine Michelis 92200 Neuilly-sur-Seine * Headquarters – 1 st , 2 nd and 4 th floor	1,200	Offices	522,672	436	Société Michelis
* Nanterre	1,275	Offices	365,013	286	FONCIA 4 et 5
* Rennes	844	Offices	149,875	178	SCI MABILAND
* Blagnac le Millénaire	5,498	Offices	699,009	127	BATIPART MDB
* Balma	1,209	Offices	234,937	194	BP Occitane
* Bordeaux – Pessac	326	Offices	46,748	143	SCI Physalis/ Pessacinvest
* Nantes-Saint Herblain	758	Offices	129,746	171	PFO2
* Lyon	759	Offices	124,093	163	Nexity
* Le Mans	762	Offices	98,707	130	Foncière Lelièvre
* Mougins	550	Offices	113,860	207	ODIM / SCI PFO2
* Aix-en-Provence	1,046	Offices	164,843	158	PFO/UNIDELTA
* Brest	548	Offices	84,051	153	Groupe Baraine
* Lille-Lezennes	657	Offices	96,230	146	TOLEFI
* Lille-Lezennes	352	Offices	45,282	129	TOLEFI 2
* Niort	454	Offices	36,000	79	SC MK2
* Dijon	-	Physical address	840	-	LBA Business Centre
* Orléans	224	Offices	35,022	156	Durand Montouché

No equipment was acquired through capital lease arrangements as of December 31, 2020.

For subsidiaries abroad, premises are in business centers or not significant.

There is no direct or indirect capital-based link between the Company and its managers and the owners or agents of rented premises.

7. REVIEW OF THE COMPANY'S FINANCIAL POSITION AND PROFIT/LOSS

7.1. FINANCIAL POSITION

Over the last two fiscal years, the Group has financed its operational activity and its investments mainly using cash flow from operations.

As of December 31, 2019 and 2020, the Group held cash and cash equivalents amounting to €74.6m and €99.1m respectively. In 2020, cash and cash equivalents held were €359k in US Dollars, €1,008k in pounds sterling and €97,775k in euros.

The activity has generated a positive net cash flow of €39,150k due to controlled management in the context of a slight decline in activity and shortening of the customer lead time. This cash flow was used to purchase fixed assets of €4,374k.

Cash flow linked to financing transactions concerns mainly the distribution of dividends for €7,068k after elimination of treasury stock.

7.2. PROFIT/LOSS

7.2.1. Group

Revenue for the Group reached €235,235k for the fiscal year 2020, compared to €248,388k for the previous year, representing a decline of 5.30%.

2020 was characterized by a decline of 5.44% in the Services activity (96.45% of revenue) from €239,918k to €226,874k, and a decline of 1.29% in the Software activity (3.41% of revenue) from €8,470k to €8,361k.

Current operating costs decreased by 3.32%. They fell from €225,960k in 2019 to €218,485k in 2020.

Current operating income amounted to €16,750k and represented 7.12% of revenue, whereas it stood at €22,428k in 2019 and represented 9.03% of revenue, a drop of 1.91 points.

Excluding the application of IFRS 2 (share-based payment), personnel costs would be reduced by €4.5m compared to €3.5m in 2019 (after deducting the amount of free shares granted to the Group's key managers), current operating income would amount to €21.3m and the current operating margin would come to 9.0% of revenue. The financial result was €(522)k compared to €(168)k for the previous fiscal year due to the application of IFRS 16 (leases).

After deducting income tax for an amount of €7,653k, the consolidated net income (Group share) comes to €9,416k, compared to €12,929k for the previous fiscal year.

7.2.2. Parent company

The **Infotel** parent company creates, develops and sells software in France and abroad.

As the lead holding company for the Group, it obtains its revenues in the form of the granting of software rights in accordance with its distribution agreement with IBM, dividends from its subsidiaries, and its share of financial income resulting from the Group's cash management.

Revenue for the fiscal year 2020 stands at €9,785k, down 1.57% compared to the €9,941k in 2019.

Operating costs declined by 3.24%. They fell from €9,049k in 2019 to €8,756k in 2020.

Operating income went from €2,267k to €2,504k, and financial income stands at €4,557k compared to €9,894k for the previous fiscal year.

Current income amounts to €7,062k compared to €12,161k for the previous fiscal year.

Exceptional income amounts to €1,195k in 2020, whereas it was nil in 2019.

Income tax amounts to €661k, taking into account a research tax credit of €508k.

Finally, profit for the fiscal year ending December 31, 2020 amounts to €7,596k compared to €11,834k for the previous fiscal year.

Growth in the activity of the **Infotel** parent company, corresponding to software publishing, is described in section 5.5.2 “Distribution of Infotel’s Activities” on page 37, as well as in paragraph 18.2.6.9 “Segment reporting” on page 125.

7.2.3. Governmental Strategies or Factors

We are not aware of any governmental, economic, budgetary, monetary or political strategies or factors that could have a significant influence, directly or indirectly, on the operations of the Group.

7.3. SHAREHOLDERS’ EQUITY

Equity – Group share amount was €97,892k as of December 31, 2020.

A change in the Group’s equity position of €5,791k is explained by the following elements:

- Profit/loss 2020: +€9,416k;
- Dividend distribution - Stockholders’ Meeting of May 20, 2020: -€7,068k;
- Change in capital: none;
- Change in additional paid-in capital: none;
- Change in translation reserve: +€20k;
- Impact of movements on treasury stock: -€9k;
- Actuarial change: -€111k;
- Free share awards: +€3,785k;
- other changes: -€242k.

8. LIQUIDITY AND CAPITAL RESOURCES

The activity of the Group's companies generated positive cash flows that enabled the financing of acquisitions of fixed assets for €4,412k in 2020 compared with €4,652k in 2019, as well as the distribution of dividends to the shareholders of the parent company totalling €7,068k in 2020 compared to €10,646k in 2019.

The Group deems that it has enough working capital to meet its short-term commitments. The Company is not in debt and is not planning on incurring debts.

Detailed information on stockholders' equity and cash flow appear in chapter 18 "Financial Information regarding the Issuer's Assets and Liabilities, Financial Position and Results" on page 98.

Information relating to payment deadlines for the company **Infotel SA** is outlined in the tables below:

Invoices received and issued unpaid on the closing date of the fiscal year that fell due (dedicated table in I of article D. 441-4 of the Commercial Code)

In euros	Article D. 441-4 I.-1°: Invoices <i>received</i> unpaid on the closing date of the fiscal year that fell due					
	0 day (for information purposes)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 or more days)
(A) Late payment ranges						
Number of invoices concerned						0
Total amount of invoices concerned (taxes included)						
Percentage of the total amount of purchases for the fiscal year (taxes included)						
(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims						
Number of invoices excluded			0			
Total amount of excluded invoices (specify: before taxes or taxes included)			0			
C) Reference payment deadlines used (contractual or legal deadline - article L. 441-6 or article L. 443-1 of the commercial code)						
Payment deadlines used to calculate late payments	Contractual deadlines: Legal deadlines: 45 days					

	Article D. 441-4 I.-2°: Invoices <i>issued</i> unpaid on the closing date of the fiscal year that fell due					
	0 day (for information purposes)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 or more days)
(A) Late payment ranges						
Number of invoices concerned						9
Total amount of invoices concerned (taxes included)		0	593,693	0	640,510	1,234,203
Percentage of revenue for the fiscal year (taxes included)		0.00%	9.16%	0.00%	9.89%	19.05%
C) Reference payment deadlines used (contractual or legal deadline - article L. 441-6 or article L. 443-1 of the commercial code)						
Payment deadlines used to calculate late payments	Contractual deadlines: Legal deadlines: 60 days					

Invoices received and issued that experienced a delay in payment during the fiscal year
(dedicated table in II of Article D. 441-4 of the French commercial code)

In euros	Article D. 441-4 II: Invoices <i>received</i> that experienced a delay in payment during the fiscal year					
	0 day (for information purposes)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 or more days)
(A) Late payment ranges						
Total number of invoices concerned						54
Total amount of invoices concerned (taxes included)		455,964	33,105	0	734	489,803
Percentage of the total amount of invoices received in the year (taxes included)		5.58%	0.41%	0.00%	0.01%	6.00%
(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims						
Number of invoices excluded				0		
Total amount of excluded invoices (taxes included)				0		
(C) Reference payment deadlines used (contractual or legal deadline - article L. 441-6 or article L. 443-1 of the commercial code)						
Payment deadlines used to calculate late payments	Contractual deadlines: Legal deadlines: 45 days					
	Article D. 441-4 II: Invoices <i>issued</i> that experienced a delay in payment during the fiscal year					
	0 day (for information purposes)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 or more days)
(A) Late payment ranges						
Total number of invoices concerned						19
Total amount of invoices concerned (taxes included)		796,815	262,013	0	-73,731	985,097
Percentage of the total amount of invoices issued in the year (taxes included)		12.30%	4.04%	0.00%	-1.14%	15.20%
(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims						
Number of invoices excluded				0		
Total amount of excluded invoices (taxes included)				0		
(C) Reference payment deadlines used (contractual or legal deadline - article L. 441-6 or article L. 443-1 of the commercial code)						
Payment deadlines used to calculate late payments	Contractual deadlines: 60 days Legal deadlines:					

9. REGULATORY ENVIRONMENT

The regulatory environment in which **Infotel** operates is described in the following paragraphs:

- 3.4: “Legal Risks”;
- 4.1.4: “Headquarters, Legal Structure and Applicable Legislation”;
- 15.7.2.3: “Human rights”;
- 15.7.2.4: “Anti-corruption”;
- 15.7.2.5: “Combating tax evasion”;
- 15.7.2.6: “Personal data - Compliance with the European General Data Protection Regulation (GDPR)”.

10. TRENDS

10.1. TRENDS SINCE THE END OF THE FISCAL YEAR 2020

The start of 2021 followed in the same vein as the end of 2020.

As Syntec Numérique announced in its press release of December 3, 2020, growth of +1% is expected for 2021, but this rebound remains limited and contingent on the development of the health crisis and the economic situation of customers.

The situation varies depending on the sectors: the Banking/Finance sector continues to grow with more than 41% of Services revenue, taking full advantage of the digitization of processes, while Industry now accounts for less than 23% of this same revenue. The Services/Transport sector remains around 17%, pending the recovery in air transport. Regional distribution remains uneven, with growth in the West, where recruitment has picked up with the disappearance of inter-contract downtime, while the situation in the south-west remains a concern pending a recovery at Airbus, which will take several years. The inter-contract rate remains at a controlled level (less than 3.5%) and recruitment has an objective of 500 new hires by the end of the next fiscal year. The sales teams are still active despite the conditions (prospecting is not easy with homeworking) which makes it possible to win new accounts and new customers.

As described in the “Financial reporting calendar” section on page 160, the press release on sales and trends for the first quarter of 2021 will be released on the evening of May 20.

10.2. TRENDS FOR THE FISCAL YEAR 2021

Infotel has excellent advantages within its two Services and Software divisions, comfortable cash flow, lack of debt and strong positioning among its customers.

In 2021, the Group intends to consolidate its commercial positions at Airbus, PSA (Stellantis), Air France and the EPO (European Patent Office).

Furthermore, the acceleration in business development initiated at the end of 2019 is beginning to pay off with new customers in Banking and Industry and the signing of new contracts, notably with AG2R. Moreover, the gradual reopening of air travel should help to step up business development for Orlando. Despite the sharp slowdown in the airline sector, the Group notched up several contracts for Orlando, the software solution developed to assist with technical documentation and aircraft maintenance. **Infotel** signed agreements with industry leaders, such as American Airlines, Flyadeal (subsidiary of Saudia), and Spirit Airlines, a US airline company, as well as Emerald Airlines at the start of the year.

Thanks to these favourable factors and a renewed relationship of trust with its major customers, despite the lack of visibility related to the ongoing health crisis, **Infotel** expects growth to recover in 2021, initially moderately in H1 2021 and then accelerating in the second half of the year. Short of a worsening in the public health situation, **Infotel** is aiming to restore revenue and operating profitability to levels on a par with 2019 in the 2021 financial year.

11. EARNINGS FORECASTS OR ESTIMATES

The Company does not provide a forecast or estimate of its future earnings.

12. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES

12.1. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

12.1.1. Membership of Administrative and Management Bodies

The administration of the Company is entrusted to a Board of Directors currently consisting of six members. Directors are appointed for a six-year renewable term, except for the director representing employees whose term of office is 3 years. The Board of Directors met a total of eleven times over the fiscal year 2020. The attendance rate of those meetings was 100%, accounting for participants with the right to vote.

As of December 31, 2020 the Board of Directors was composed as follows:

First and last name of member	Date of first appointment	Expiry date of term	Main position held within the Company	Main position held outside the Company	Other terms of office and positions held in any company
Bernard Lafforet	December 31, 1979	Stockholders' Meeting called to approve the financial statements for fiscal year 2023	Chairman - Chief Executive Officer	None	"Chairman - Director" of Infotel Corp. "Chairman – Executive Officer" of Infotel Monaco
Michel Koutchouk	June 3, 1982	Stockholders' Meeting called to approve the financial statements for fiscal year 2023	Executive Officer	None	"Director" of Infotel Corp. Permanent representative of Infotel, director of Infotel Conseil
Josyane Muller	May 23, 2006	Stockholders' Meeting called to approve the financial statements for fiscal year 2023	Executive Officer	None	Chairperson of Infotel Conseil,
Hélène Kermorgant	May 20, 2015	Stockholders' Meeting called to approve the financial statements for fiscal year 2023	None	None	None
Alain Hallereau	May 29, 2019	Stockholders' Meeting called to approve the financial statements for fiscal year 2024	None	None	None
Dominique Mazurier	November 20, 2020	Stockholders' Meeting called to approve the financial statements for fiscal year 2023	Employee, Project manager	None	None

As of December 31, 2020, the Group's management team consists of four members:

- Bernard Lafforet, Chairman-Chief Executive Officer, graduated in mathematics from the French Ecole Normale Supérieure, founded **Infotel** after ten years in research with the CNRS; his term expires after the General Stockholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023;
- Michel Koutchouk, Director and Executive Officer, graduated from IEP Paris and engineer of the Arts et Métiers, joined Mr. Lafforet to create **Infotel** after ten years with the IT Department at Air France; his term expires after the General Stockholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023;
- Ms. Josyane Muller, Executive Officer, graduated from ISIN-ESSTIN in Nancy, joined **Infotel** in 1985 after 18 years with IT service companies including nine with Cap Gemini as Branch Manager; her term expires after the General Stockholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023;

- Éric Fabretti, Executive Officer, with a Masters in IT from Paris V, joined **Infotel** in 1996 after 12 years in the IT service field, including two for Sopra and ten as a consultant; his term expires after the General Stockholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

The experience and skills of H el ene Kermorgant are described in the chapter "The Board of Directors" on page 60.

All of these persons are domiciled at the Company's Headquarters.

The management expertise and experience of these individuals is a result of previous salaried positions and/or management positions previously held and/or still held in other companies or various bodies.

There are no family ties between the people in this list.

Over the past five years, none of the people mentioned in chapter 12 page 54 held offices in companies other than those of the Group which are, for some, no longer part of the Group or have been absorbed.

Bernard Lafforet is "Chairman-Executive Officer" of Infotel Monaco and "Chairman-Director" of Infotel Corporation.

Michel Koutchouk holds the office of director of Infotel Corporation, permanent representative of **Infotel** and director of Infotel Conseil.

Josyane Muller holds the position of "Chairperson" of Infotel Conseil.

 Eric Fabretti holds the position of Chairman of Infotel Business Consulting. He is "director" of Infotel UK Consulting Ltd, Chairman of OAI/O, Chairman of Coach'IS and manager of Collaboratif Portail Services.

During the previous five years, no member of the Executive Committee has been convicted of fraudulent offences, has been involved in bankruptcy, receivership or liquidation proceedings, has been subject to a prohibition to manage, or has been subject to official public incrimination and/or sanctions imposed by other public authorities.

In view of the current composition of the board of directors made up of three founding members who are also operational directors of the company, it is difficult to provide for a phased renewal of their mandates. **Infotel** will study the possibility of organizing a staggered renewal of the directors' terms of office according to Middlednext Code Recommendation R9 or justify the non application of this recommendation according to the principle of "comply or explain".

The appointment of a second independent director (Mr. Alain Hallereau), by the annual Stockholders' Meeting on May 29, 2019 called to approve the 2018 financial statements, made it possible to complete the Board of Directors with a member whose term of office has a different end date from that of the other directors, thus staggering the renewal of terms in the future.

12.2. CONFLICTS OF INTEREST

With the exception of a large number of shares held by the persons mentioned in paragraph 12.1.1, to the Company's best knowledge, there are no existing or potential conflicts of interest between it and these persons.

There are no service contracts linking the members of the administrative or management bodies to the Company or its subsidiaries and from which a member may derive economic benefits.

13. REMUNERATION AND BENEFITS

13.1. EXECUTIVE PAY

All remunerations paid during the past three accounting periods, to each company officer, are as follows, on a gross pre-tax basis:

In Euros	2020	2019	2018
Bernard Lafforet	216,000	216,000	216,000
Michel Koutchouk	197,808	196,064	196,064
Josyane Muller	192,000	192,000	192,000
Éric Fabretti	210,000	210,000	210,000

All above remunerations are allocated to a company officer.

Michel Koutchouk received, over the course of the last three accounting periods, a benefit in kind in the form of the use of a vehicle.

For accounts ending on December 31, 2018, 2019 and 2020, no proportional, variable or exceptional remuneration or fee was made to any executive.

It is noted that no company officer received any other remuneration or any sort of benefit in kind from the companies controlled by **Infotel**, as per Article L. 233-16 of the French Commercial Code.

No stock subscription or purchase options, or any instrument providing access to capital, were granted to the company officers.

No loans, nor any guarantees, were accorded in favour of the company officers.

There are no arrangements, of any kind, made by the Company in favour of the company officers, and which may correspond to any form of remuneration, provision of service, compensation or benefits due or liable to be due upon or after assuming, leaving or changing their position.

The "Statutory Auditors' special report on regulated agreements" covered in section 18.4.3 on page 149 does not mention any regulated agreements.

13.2. PENSIONS AND OTHER EMPLOYEE BENEFITS

Provisions are made for legal and contractual indemnities for each employee present from December 31, 2020 calculated according to how long, theoretically, they would have worked at the day of their retirement, and in accordance with the projected credit unit method.

The commitment to pay a bonus for ten years of service is also provided for under the same conditions as of January 1, 2004.

Pensions, including the seniority bonus, are calculated using the following criteria:

- Turnover of employees under 56 years:
 - 13% for employees of Infotel Conseil, IBC and OAIO;
- Turnover of employees over 56 years:
 - 0.4% for the Group's entire workforce;
- Discount rate: 0.42% for pensions (0.79% in 2019) and 0.22% for the 10-year seniority bonus (0.68% in 2019);
- Retirement age: 65 years;
- Rate of increase in salaries for employees under 56 years: 2.5%;
- No increase in salaries is planned for employees over 56 years;
- Rate of employer's contribution: 45%.

As of December 31, 2019 and 2020, the total provisions for retirement bonuses for the Group had risen to €3,084k and €3,744k respectively, including social security taxes. As of December 31, 2019 and 2020, these commitments were subject to insurance cover for €110k and €17k respectively.

As of December 31, 2019 and 2020, the provisions relating to the ten-year service bonus had risen to €475k and €536k respectively.

14. OPERATION OF ADMINISTRATION AND MANAGEMENT BODIES

14.1. TERMS AND SERVICE CONTRACTS

The expiry dates of directors' terms are indicated in section 12.1.1 on page 54.
No service contracts connect the members of the administrative and management bodies with the issuer.

14.2. CORPORATE GOVERNANCE AND COMMITTEES

This information is described in section 14.5 "Board of Director's report on corporate governance" on page 59.

14.3. RESTRICTIONS TO THE POWERS OF THE CHIEF EXECUTIVE OFFICER

No restriction on the powers of the Chief Executive Officer is provided for, either in the Articles of Incorporation or by the Board of Directors. As a result, the Chief Executive Officer is invested with extensive powers, within the confines of the corporate purpose, to act in the name of the Company.

14.4. ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

In addition to the information above, the following details are added:

- Number of independent directors: 2.
- Number of directors elected by employees: 1.
- Annual remuneration of directors (e.g. attendance fees): €3k was paid to independent administrators, in accordance with recommendation No. 10 of the Middenext Code. This was increased to €6k for 2020 due to the appointment of a second independent director.
- Audit committee: Board members carrying out the Audit Committee assignments.
- Remunerations committee: None.
- Gender equality: 2 women and 3 men (director representing employees not included).

The Company complies with the corporate governance regime in force in France, as it refers to in the Middenext Code, for which the application procedures are laid out in the internal control report.

In accordance with Recommendation No. 3 of the Middenext Code, which recommends the appointment of two independent directors to the Board, a second independent director (Mr. Alain Hallereau) was appointed to the Board by the Combined Stockholders' Meeting on May 29, 2019.

14.5. BOARD OF DIRECTOR'S REPORT ON CORPORATE GOVERNANCE

Board of Director's report on corporate governance as provided for in Article L. 225-37 of the Commercial Code with respect to the fiscal year ending December 31, 2020

(Directive 2017-1162 of July 12, 2017 and decree 2017-1174 of July 18, 2017, pursuant to the law 2016-1691 of December 9, 2016 called the Sapin 2 law)

Introduction: Review of Legal Obligations

In accordance with the provisions of Article L. 225-37 (public limited company with a Board of Directors) or L. 225-68 (for public limited companies with Management and Supervisory Boards) of the French Commercial Code, the aim of this report is to document the preparation and organization conditions of the work of the board, as well as the limitations to the Chief Executive Officer's powers.

The purpose of this report is to replace the previous report of the Chairman on internal control procedures following the entry into force of the Sapin 2 law. The information in the former report relating to internal control procedures have been moved to the management report and to paragraph 3.7 of this document.

This report has been prepared with the support of the financial departments, and was approved by the Board of Directors at its meeting of April 21, 2021.

Infotel will henceforth refer to the December 2009 Middelnext Corporate Governance Code for small and mid-caps, available at the following website: http://www.middelnext.com/IMG/pdf/Code_de_gouvernance_site.pdf, hereinafter the Reference Code.

At its meeting of March 10, 2010, the Board of Directors decided to change the Reference Code for corporate governance and adopt the Middelnext Code, which is more in keeping with the Group's issues and size, the make-up of its management team and the high level of involvement of its members (managers-stockholders).

The Board took note of the contents of the Middelnext Code's "vigilance points".

Regarding the remuneration of its executive officers, an important point in the Reference Code, it should be noted that **Infotel** has always adopted an exemplary policy of remuneration and benefits for its officers-directors. Officers-directors do not benefit from either proportional, variable or exceptional remuneration, or advantages such as: annual remuneration of directors (e.g. attendance fees), stock-option purchases, instruments providing access to capital, free stock or severance pay.

Pursuant to the provisions of paragraph 7 of Article L.225-37 of the French Commercial Code, this report sets out the provisions of the Middelnext Code that have been omitted and the reasons why.

Corporate Governance

The Management Team

As of December 31, 2020, the Group management team consists of four members:

- Bernard Lafforet, Chairman – Chief Executive Officer, a graduate of the French Ecole Normale Supérieure in mathematics. He founded **Infotel** after 10 years of research at the CNRS;
- Michel Koutchouk, Director and Executive Officer, a graduate of the IEP Paris and engineer of the Arts et Métiers. He joined Mr. Lafforet to create **Infotel** after ten years with the IT department at Air France;
- Ms. Josyane Muller, Executive Officer, a graduate of the ISIN-ESSTIN in Nancy. She joined **Infotel** in 1985 after 18 years in the IT consulting industry, including nine at Cap Gemini as Branch Manager;
- Éric Fabretti, Executive Officer in charge of commercial activity, holder of a Masters in IT from Paris V, non-director.

The Board of Directors

The Board of Directors is comprised as follows:

- Bernard Lafforet, Chairman – Chief Executive Officer;
- Michel Koutchouk, Director and Executive Officer;
- Ms. Josyane Muller, Director and Executive Officer;
- Ms. Hélène Kermorgant, Director.
- Alain Hallereau, Director.
- Dominique Mazurier, Director representing the employees.

Graduate of the French École Supérieure de Gestion, Hélène Kermorgant is currently partner at RSM Paris, chartered accountant and statutory auditor. During her career, she has acted as Statutory Auditor and chartered accountant, notably as Financial Director for a mixed economy company from 1994 to 1999 and from then on as Director then partner at COREVISE -RSM Paris. She has lectured at the University Paris Dauphine and is a trainer at the French National Auditing Authority (Compagnie Nationale des Commissaires aux Comptes).

Alain Hallereau holds a postgraduate diploma in computer science. He joined the Management to set up **Infotel** after seven years in the IT departments of industrial companies and two at Cap Gemini. He ceased his duties as an employee and Director of **Infotel** in May 2012.

Dominique Mazurier has an Electrical Engineering degree (DUT) and an IT diploma in Control Data. Since 1983 he has worked in several digital services companies and joined **Infotel** in February 2003. Since 2006, he has been a project manager, in charge of a service desk for a major banking customer. He oversees all of the customer's Mainframe operations on **Infotel's** service desk. He has been a director representing employees since his election in November 2020.

Minutes of the Board of Directors

During the fiscal year ending December 31, 2020, the Board of Directors of **Infotel** met on eleven occasions (with an average attendance rate of 100%) with the following agendas and dates:

- January 22 2020, company strategy (No. 1), an overview of the stock and financial markets;
- January 23 2020: definitive allocation of free shares (plan 3), capital increase by capitalization of reserves;
- January 23 2020: provisional allocation of free shares (plan 4);
- March 4 2020, approval of the 2019 financial statements and preparation of the Combined Stockholders' Meeting, adoption of the procedure for assessing ordinary agreements concluded under normal conditions, validation of the draft code of conduct as part of the implementation of the anti-corruption program resulting from the SAPIN II law;
- April 22 2020, company strategy (No. 2), an overview of the stock and financial markets;
- April 22 2020, final approval of the legal documents and the Universal Registration Document (URD);
- May 20 2020: launch of the repurchase program;
- May 20 2020: transfer of **Infotel's** headquarters to its new Paris premises (20th district);
- July 29 2020, company strategy (No. 3), an overview of the stock and financial markets;
- September 16 2020, closing of accounts of first half of 2020;

- October 21 2020, company strategy (No. 4), an overview of the stock and financial markets, executive remuneration, provisional allocation of free shares (plan 5), proposed merger of Infotel Business Consulting and OAIO, authorization to acquire 67% of the shares of Archive Data Software.

In any event, the Board of Directors meets whenever the Company requires.

Internal Rules of Procedure of the Board of Directors

On January 26, 2011, the **Infotel** Board of Directors opted for an Internal Regulation. This can be viewed on the Company's website.

These Rules of Procedure outline the various duties of the members of the **Infotel** Board of Directors and complete the legal, regulatory and statutory rules thus specifying the working methods of the Board of Directors, and integrating the five sections set out in recommendation R6 of the Middlednext Code 2016:

- Role of the Board;
- Composition of the board/criterion for members' independence;
- Duties of members (ethics: loyalty, non-competition, disclosure of conflicts of interest and duties of abstention, confidentiality, etc.);
- Board operations (frequency, convening, member information, use of video-conferencing and telecommunications) and the audit committee;
- Rule for determining the remuneration of members.

The Internal regulations were updated at the board meeting of July 26, 2017 in compliance with the new Middlednext Code.

Provisions Regarding Directors - Presence of two independent directors

The qualities that should apply to a director are competence, experience and respect for the corporate interest of the company.

Infotel has two specific features: the size of the Group and the significant involvement of the three members of the board performing executive functions (officers-stockholders) - highly involved in the key management processes of the Group, and concerned at all times for the corporate interest of the company.

However, an initial independent director, Ms H  l  ne Kermorgant, was appointed at the Annual Stockholders' Meeting of May 20, 2015 called to approve the financial statements for 2014.

Ms H  l  ne Kermorgant is independent for the following reasons:

- For the past five years, H  l  ne Kermorgant has not been an employee or executive officer of **Infotel** or a Group company.
- For the past two years, Ms. H  l  ne Kermorgant has not been a significant client, supplier, auditor, advisor or banker (business or financing) of **Infotel** or the Group, or for which **Infotel** or the Group represents a significant part of the activity.
- Ms. H  l  ne Kermorgant has no close family ties with a corporate officer or a reference shareholder.
- Ms. H  l  ne Kermorgant was not the company's auditor for the previous six years.
- Ms. H  l  ne Kermorgant is not a reference shareholder of **Infotel** and does not hold a significant percentage of voting rights.

In addition, Ms. H  l  ne Kermorgant is not subject to any commitment aimed at preserving the conditions of her qualification as independent director and does not maintain any business relationship with **Infotel**.

In accordance with Recommendation No. 3 of the Middlednext Code, which recommends the appointment of two independent directors to the Board, a second independent director (Mr. Alain Hallereau) was appointed to the Board at the Annual Stockholders' Meeting on May 29, 2019 that approved the financial statements for fiscal year 2018.

Mr. Alain Hallereau is independent for the following reasons:

- He has not been an employee or executive officer of **Infotel** or a company in the Group for more than five (5) years (he was an employee and director until May 2012).
- Mr. Hallereau holds **Infotel** shares, without however being considered a reference shareholder or holding a significant percentage of voting rights within the meaning of the Middlednext Code.
- He has no close family ties with a corporate officer or a reference shareholder that is likely to affect the independence of his judgement.

- Mr. Hallereau has not been a significant client, supplier, banker (business or financing) of **Infotel** or the Group, or for which **Infotel** or the Group represents a significant part of the activity, during the last two years.
- Mr. Hallereau was not the auditor of **Infotel** or a Group company during the previous five (5) years.

Conflicts of Interest

With a view to avoiding conflicts of interest, **Infotel** has adopted the MEDEF criteria (in its guide “preventing and managing conflicts of interest”), which identify such conflicts: a conflict of interest exists when a significant interest (be it sentimental, familial, financial, associative, cultural, sporting, political, charitable, religious, trade union, philosophical, etc.) that is external to the company managed by the director may interfere in the positions or decisions he or she may take while carrying out his or her executive duties.

A conflict of interest is seen when an individual risks losing his or her objectivity and intellectual independence, and finds him/herself weakened in carrying out their responsibilities.

Managing conflicts of interest within the board relies on voluntary disclosure by each Director according to the internal regulation of the board. An absence of information is interpreted as an absence of any conflict of interest. Where a conflict of interest arises after a Director is appointed, he/she must inform the board, abstain from voting or participating in discussions and, if necessary, resign.

Board Relationships with Third Parties

In fulfilling their duties attributed by the law to the Audit Committee, the Board of Directors monitors the information provided to stockholders as well as to the market. It examines the press releases distributed by the Company to inform market players of key events concerning the **Infotel** Group.

Pursuant to Article L.225-238 of the French Commercial Code, auditors are summoned to board meetings that examine interim accounts (six-month consolidated financial statements) as well as annual accounts (company and consolidated).

Audit Committee

The Board of Directors, through Executive Management and the firm of internal chartered accountants that supports the Group in its work, performs the audit functions for the Group.

Infotel has elected to exempt itself from the obligation of setting up an Audit Committee as provided for in Article L 823-20 4° of the French Commercial Code regarding individuals and entities with a body fulfilling the functions of a specialist committee mentioned in Article L 823-19, provided that this body, which may be the administrative body, is identified.

Infotel's Board of Directors is identified, in the conditions laid down in the text, as the body responsible for performing audit committee functions as mentioned in the law.

In accordance with the duties of the audit committee, the Board of Directors, in fulfilling the functions of the audit committee, thus ensures the:

- Financial reporting processes;
- Efficiency of internal control and risk management systems;
- Legal control of annual and consolidated accounts by the auditors;
- Independence of the auditors.

At its meeting of January 26, 2011, the Board of Directors specified, in its Rules of Procedure, the working rules of the Board of Directors in its capacity of audit committee, and the responsibilities it will bear.

There is no requirement for the presence within the Board of a member competent in accounting and financial practices.

Nevertheless, Ms Kermorgant, the independent director, embodies all the financial expertise required to chair the Board when it meets as the Audit Committee:

Ms Kermorgant is Chair of the Board when it meets as the Audit Committee, as decided at the board meeting of May 20, 2015.

To promote efficient and frank debate, the Chairman – Chief Executive Officer, however, attends when the Board meets as the Audit Committee.

Assessment of the Board of Directors

In line with recommendation R 15 of the Middlednext Code of Governance and incorporated in Article 4 of the Rules of Procedure, once a year the members of the Board are asked by the Chair to give their views on Board of Directors operations and work preparation. This discussion is recorded in the minutes of the Board of Directors meeting.

It is also noted that the Company encourages self-monitoring by the Directors with respect to their capacity to assess the relevance of the operations of the Board of Directors, and the Directors are regularly asked to give their opinion on Board operations and work preparation.

At the meeting of the Board on March 10, 2021 relating to the 2020 accounts, the Directors gave their views on the assessment of the work of the Board.

It emerged from this debate that the Directors consider that the Board is functioning in a satisfactory manner and in the best interests of the Company.

Pursuant to Law No. 2019-486 of May 22, 2019 on the growth and transformation of companies (known as the “PACTE law”), Mr. Dominique Mazurier was elected in November 2020 as a director representing employees on the Board. As a result of this election, the Board consists of 2 women and 4 men. However, the composition of the Board still complies with the diversity principles of Law no. 2011-103 of January 27, 2011 on gender equality and boards of directors. Pursuant to Article L. 22-10-6 of the French Commercial Code, the director representing employees is not taken into account in the calculation aimed at establishing the proportion of men and women on the Board of Directors. This ratio remains 2 women for 3 men.

The Board has also improved on the independence criteria required by the Middlednext Code and attributed to the independent director position, which is held both by H  l  ne Kermorgant, who has considerable ability in financial and accounting matters, and by Alain Hallereau.

Administration and Management Bodies

First name, last name of the Directors and Executive Officers	Positions occupied in other companies
Directors	
Bernard Lafforet, Chairman – Chief Executive Officer	“Chairman - Director” of Infotel Corp. “Chairman – Executive Officer” of Infotel Monaco
Michel Koutchouk	“Director” of Infotel Corp. Permanent representative of Infotel, director of Infotel Conseil
Josyane Muller	Chairperson - Chief Executive Officer of Infotel Conseil
Hélène Kermorgant	None
Alain Hallereau	None
Dominique Mazurier	Employee, Project manager
Executive Officers	
Michel Koutchouk	See above
Josyane Muller	See above
Éric Fabretti	Executive Officer of Infotel Conseil Chairman of Infotel Business Consulting Director of Infotel UK Consulting Ltd Chairman of OAIO Chairman of Coach'IS Manager of Collaboractif Portail Services

Executive Committee

The Executive Committee consists of:

- Bernard Lafforet, Chairman – Chief Executive Officer;
- Michel Koutchouk, Executive Officer;
- Ms. Josyane Muller, Executive Officer;
- Éric Fabretti, Executive Officer;
- Jean-François Castella, Vice-President, Software.

This Committee falls under the authority of the Chief Executive Officer and consolidates the management and duties of department heads. The Executive Committee studies the forecasts and the revenue in terms of achievement for all entities of the Group on a monthly basis.

The Executive Committee studies the income for all parts of the Group, on the basis of quarterly statements.

Part 2: Restrictions to the Powers of the Chief Executive Officer

No restriction on the powers of the Chief Executive Officer is provided for, either in the Articles of Incorporation or by the Board of Directors. As a result, the Chief Executive Officer is invested with extensive powers, within the confines of the corporate purpose, to act in the name of the Company.

Part 3: Executive salaries

This section aims to present the remuneration policy for company officers, i.e. **Infotel's** directors and executives, in accordance with Ordinance No. 2019-1234 of November 27, 2019 adopted pursuant to law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies ("PACTE Law").

The report of the Board of Directors on corporate governance is also intended to present the remuneration elements for the Chairman – Chief Executive Officer and the Executive Officers and outline the draft resolutions established by the Board of Directors relating to the approval of this remuneration.

Infotel's remuneration policy has three components:

- Remuneration policy for directors;
- Remuneration policy for the Chairman-Chief Executive Officer;
- Remuneration policy for Executive Officers.

These three components must all be submitted to the General Stockholders' Meeting in accordance with Article L. 22-10-8 II of the French Commercial Code.

Moreover, there is also a reminder of the reasons for the absence of a Compensation Committee. We also present here the equity ratio in accordance with the PACTE Law, as well as the draft resolutions established by the Board of Directors relating to the remuneration of company officers.

1.) Remuneration policy

Generally, **Infotel** has a responsible remuneration policy for company officers that is in keeping with the company's interests. It is adapted to the company's commercial strategy and the environment in which it operates. It is established in accordance with applicable legal and regulatory provisions and with the recommendations of the MiddleNext Code.

In accordance with the PACTE Law, the remuneration policy applicable to company officers (detailed below) will be the subject of a draft resolution submitted for the approval of the Combined Stockholders' Meeting on May 19, 2021, but also whenever there is a major amendment of this policy.

In addition, pursuant to Article L.22-10-34 III of the French Commercial Code, the same shall apply with regard to the fixed, variable and exceptional remuneration elements of each corporate officer, due or granted in respect of the 2020 financial year, that are to be presented at the next Combined Stockholders' Meeting and submitted for a consultative vote.

a.) Annual remuneration policy for directors:

The remuneration policy for directors is set and reviewed by **Infotel's** Board of Directors. It is intended to remunerate only the independent directors for their time and the investment they have made with regard to their contributions to the various Board of Directors' meetings.

The principles for setting the remuneration of directors are as follows:

- the principle of granting an annual remuneration to members of the Board of Directors depends on the director's profile since a distinction is made between executive directors and non-executive directors. Accordingly, executive directors and the director representing employees receive no annual remuneration in respect of their directorship, this being reserved solely for independent directors;
- in the case of the annual remuneration allocated to independent directors, it is only allocated as from expiry of the first year of the term of office;
- the remuneration of independent directors consists exclusively of a fixed component, no variable component being granted to the director;
- an identical remuneration is allocated to each of the independent directors.

With regard to the principles for setting the remuneration presented below, the remuneration policy for directors is in keeping with the company's interests and it contributes to the sustainability of the company, while being part of its commercial strategy.

In the case of remuneration elements allocated to independent directors:

- on May 29, 2019, **Infotel's** General Stockholders' Meeting allocated an amount of €3,000 for remuneration, in respect of the previous fiscal year 2018. This remuneration was allocated to Ms. H  l  ne Kermorgant, an independent director, by the Board of Directors on March 6, 2019, subject to being voted by the Meeting;
- on May 20, 2020, **Infotel's** General Stockholders' Meeting allocated a total amount of €6,000 for remuneration, in respect of the previous fiscal year 2019. Each of the two independent directors, Ms. Kermorgant and Mr. Hallereau, were allocated the amount of €3,000, by the Board of Directors meeting on March 4, 2020, subject to being voted by the Meeting.
- it was proposed that this amount be set at the total sum of €6,000 in respect of the last fiscal year 2020. The Board of Directors meeting on March 10, 2021 decided to allocate each of the two independent directors, Ms. Kermorgant and Mr. Hallereau, the amount of €3,000, subject to being voted by the Meeting. The allocation of this amount will therefore be the subject of a resolution submitted for the approval of the Combined Stockholders' Meeting on May 19, 2021.

b.) Remuneration policy for the Chairman-Chief Executive Officer and Executive Officers

The remuneration policy for the Chairman-Chief Executive Officer is identical to the remuneration policy for Executive Officers. It is set by the Board of Directors.

The policy for determining executive remuneration is established on the basis of the following criteria:

- The level and difficulty of responsibilities;
- Experience in the position;
- Seniority in the Group and
- the practices identified in companies performing similar activities.

For accounts ending on December 31, 2018, 2019 and 2020, no proportional, variable or exceptional remuneration was made to any executive. Moreover, executives did not benefit from any remuneration in respect of their directorship.

It is noted that no company officer received any other remuneration or any sort of benefit in kind from the companies controlled by **Infotel**, as per Article L. 233-16 of the French Commercial Code.

No stock subscription or purchase options, or any instrument providing access to capital, were granted to the company officers.

No loans, nor any guarantees, were accorded in favour of the company officers.

There are no arrangements, of any kind, made by the Company in favour of the company officers, and which may correspond to any form of remuneration, provision of service, compensation or benefits due or liable to be due upon or after assuming, leaving or changing their position.

The table below and the explanations that follow provide an overview of the remuneration of the Executive Management of the **Infotel** group, with respect to the fiscal year ended for the opinion of stockholders within the framework of the "say on pay" policy.

All remunerations paid during the past three accounting periods, to each company officer, are as follows, on a gross pre-tax basis:

In Euros	2020	2019	2018
Bernard Lafforet	216,000	216,000	216,000
Michel Koutchouk	197,808	196,064	196,064
Josyane Muller	192,000	192,000	192,000
��ric Fabretti	210,000	210,000	210,000

All above remunerations are allocated to a company officer.

Michel Koutchouk received, over the course of the last three accounting periods, a benefit in kind in the form of the use of a vehicle.

We would point out that the payment of variable and exceptional remuneration elements is subject to a positive ex-post vote and the identification of these elements. It is nonetheless pointed out that the remunerations for the **Infotel** Chairman – Chief Executive Officer and the Executive Officers are made up of a fixed element.

2.) Compensation Committee

In accordance with AMF Position-Recommendation No. 2014-14, the reasons for the absence of a compensation committee, based on the “comply or explain” principle, are described below.

The remuneration of the Chairman-Chief Executive Officer and Executive Officers is composed exclusively of a fixed component and does not include any variable or exceptional components.

None of these corporate officers receives compensation or benefits in kind from companies controlled by **Infotel** within the meaning of Article L. 233-16 of the French Commercial Code.

No stock-option (subscription options or stock purchase options), or instruments giving access to the capital are granted to beneficiaries having the status of corporate officers at the time the grant is made.

No loans or guarantees are granted for corporate officers.

There is no commitment of any nature whatsoever, taken by the company for the benefit of its corporate officers, corresponding to elements of remuneration, indemnities or benefits due or likely to be due to the taking up, the cessation or change of these functions or subsequent thereto.

For these reasons, the existence of a compensation committee was not considered appropriate.

3.) Equity ratio between the levels of remuneration of executive corporate officers and the average and median remuneration of employees

This equity ratio is presented in accordance with Article L.22-10-9, I, 6° of the French Commercial Code following the entry into force of the aforementioned PACTE Law, and aims to transpose the European Directive of May 17, 2017 on long-term shareholder engagement (“SRD II”), while supplementing the system established by the “SAPIN II” law, in order to ensure compliance with the new requirements in terms of the transparency of executive remuneration..

It consists in presenting a ratio between the remuneration of each of **Infotel’s** executive corporate officers, and the average and median remuneration on a full-time equivalent basis of **Infotel** employees other than corporate officers.

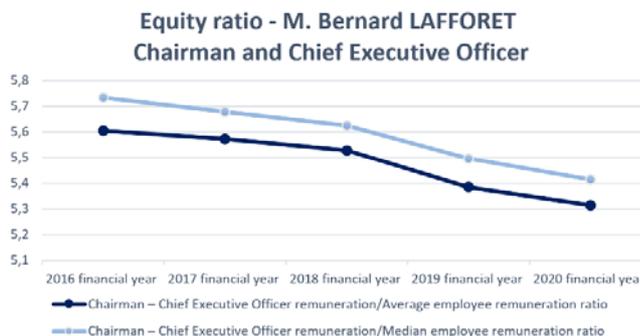
This presentation must be made over the last five fiscal years, in accordance with Article L.22-10-9, I, 7° of the French Commercial Code.

(i) Presentation of the calculation method for the equity ratio:

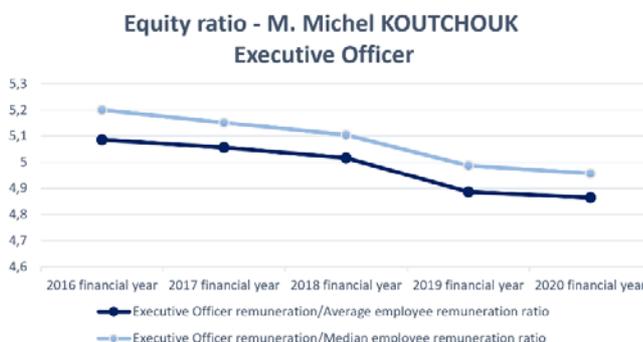
- Since the remuneration of **Infotel** employees may vary from one country to another due to disparities in the cost of living between these countries, in order to ensure consistency, executives being remunerated by **Infotel** SA, the French entity, the equity ratio is therefore calculated by taking into account the remuneration of employees of all the direct and indirect subsidiaries located in France, this French scope also covering 98% of the Group’s total wage bill;
- for employees, the remuneration taken into account in the calculation is the full-time equivalent remuneration of permanent employees, regardless of the level of seniority. Therefore this calculation does not take into account part-time employees, apprentices, interns or sub-contractors;
- in the case of free shares granted to employees, these are only taken into account in the calculation as from their definitive grant date.

(ii) Presentation of the equity ratio for each of the corporate officers:

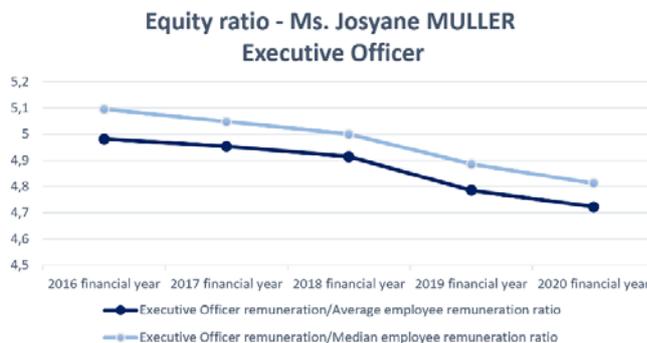
- Equity ratio relating to Bernard Lafforet, Chairman-Chief Executive Officer



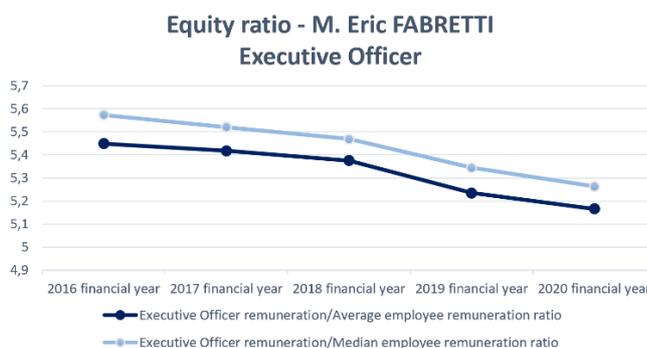
- Equity ratio relating to Michel Koutchouk, Executive Officer



- Equity ratio relating to Ms. Josyane Muller, Executive Officer



- Equity ratio relating to Éric Fabretti, Executive Officer



4.) Draft remuneration resolutions submitted to the General Stockholders' Meeting on May 19, 2021

- SIXTH RESOLUTION -

The Stockholders' Meeting, consulted in accordance with Article L. 22-10-8 of the French Commercial Code, hereby approves the remuneration policy applicable to company officers, as presented in the Board's report on corporate governance.

- SEVENTH RESOLUTION -

The Stockholders' Meeting, after considering the Board of Directors' report on corporate governance, more specifically section 3 relating to the remuneration of company officers, hereby approves, in accordance with Article L. 22-10-34, II of the French Commercial Code, the information specified in Article L. 22-10-9 of the French Commercial Code in respect of the fiscal year ending December 31, 2020.

- EIGHTH RESOLUTION -

The Stockholders' Meeting, consulted in accordance with Article L. 22-10-34, III of the French Commercial Code, hereby issues a favourable opinion on the elements of the remuneration due or granted in respect of the 2020 financial year to Bernard Lafforet, Chairman - Chief Executive Officer, as presented in the Board's report on corporate governance.

- NINTH RESOLUTION -

The Stockholders' Meeting, consulted in accordance with Article L. 22-10-34, III of the French Commercial Code, hereby issues a favourable opinion on the elements of the remuneration due or granted in respect of the 2020 financial year to Michel Koutchouk, Director and Executive Officer, as presented in the Board's report on corporate governance.

- TENTH RESOLUTION -

The Stockholders' Meeting, consulted in accordance with Article L. 22-10-34, III of the French Commercial Code, hereby issues a favourable opinion on the elements of the remuneration due or granted in respect of the 2020 financial year to Josyane Muller, Director and Executive Officer, as presented in the Board's report on corporate governance.

- ELEVENTH RESOLUTION -

The Stockholders' Meeting, consulted in accordance with Article L. 22-10-34, III of the French Commercial Code, hereby issues a favourable opinion on the elements of the remuneration due or granted in respect of the 2020 financial year to Éric Fabretti, Executive Officer, as presented in the Board's report on corporate governance.

- TWELFTH RESOLUTION -

The Stockholders' Meeting, after considering the Board of Directors' report on corporate governance, hereby decides to set the total amount of the remuneration granted to directors for the current financial year at six thousand (6,000) Euros.

Part 4: Agreements concluded between an executive and a major shareholder and a subsidiary

(I) Agreements concluded between an executive and a major shareholder and a subsidiary

In application of articles L.225-37-4, 2, it is noted that no agreement took place, directly or by an intermediary person, between, on the one hand, one of the company officers or one of the stockholders with a fraction of voting

rights greater than 10% for a company, and on the other hand, another company of which the first holds directly or indirectly more than half of the capital, with the exception of agreements dealing with current operations and concluded under normal conditions.

(ii) Procedure for assessing current agreements concluded under normal conditions

In accordance with Law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies (PACTE Law), **Infotel** has developed a procedure for assessing current agreements concluded under normal conditions. This procedure is also intended to follow AMF Recommendation No. 2012-05 of July 2, 2012, amended on October 5, 2018.

It reiterates the legislative and regulatory framework applicable to regulated agreements as well as the methodology applied internally to classify the different agreements concluded.

This procedure was approved at the **Infotel** Board of Directors' meeting on March 4, 2020.

Part 5: Table of delegations at December 31, 2020

AGM	Delegation type	Amount granted	Date	Amount exercised
May 29, 2019	Stock options and securities issued	1,300,000 Euros	July 29, 2021	0
May 20, 2020	Stock repurchase	10% of the capital of the Company calculated on the purchase decision date, less any shares resold as part of this authorization	November 28, 2020	0
May 31, 2018	Free shares awarded	5% of the share capital at the date when the Board of Directors decides to allocate them	July 31, 2021	3.42% of the company's share capital

Part 6: Elements likely to have an impact in the event of a takeover bid

1st The capital structure of the company

→ This is outlined in chapter 16 of the Universal Registration Document.

2nd Statutory restrictions on exercising voting rights and share transfers or agreement clauses dealing with the knowledge of the company in application of Article L. 233-11

→ These are set out in paragraphs 19.2.4 to 19.2.9 of the Universal Registration Document.

3rd Direct or indirect investments in the capital of the company of which it has knowledge in accordance with Articles L. 233-7 and L. 233-12

→ These are outlined in chapter 16 and in paragraph 19.2.8 of the Universal Registration Document.

4th The list of stockholders of any securities with special control rights and their description

→ There are no securities including special control rights, with the exception of a double voting right for the benefit of stockholders registered for at least two years (paragraph 19.2.4 of the Universal Registration Document).

5th The control mechanisms stipulated in a possible personnel share scheme, when the control rights are not exercised by the latter

→ There are no control mechanisms foreseen in a possible personnel share scheme with control rights that are not exercised by the latter

6th The agreements between stockholders of which the company is aware and can result in restrictions in the transfer of shares and in the exercise of voting rights

→ There are no agreements between stockholders of which the company is aware and that can result in restrictions in the transfer of shares and in the exercise of voting rights

7th The rules applicable to the nomination and the replacement of members of the Board of Directors as well as the modification of the company statutes

→ The nomination and revocation rules of members of the Board of Directors are the legal and statutory rules set out in article 16 of the statutes. The modification of the Company statutes takes place in compliance with the legal and regulatory stipulations.

8th The powers of the Board of Directors, in particular with respect to the issuance or purchase of stock

- With respect to the Board of Directors, the delegations underway are described in the table of existing delegations, appearing in “Table of delegations” of this report

9th The agreements concluded by the company that are modified or terminated in the event of a change of control of the company, except in the event of a legal obligation to divulge, would significantly impair its legal interests

- There are no agreements concluded by the Company that are modified or that are terminated in the event of a change of control of the Company.

10th Agreements setting out damages for the members of the Board of Directors or the employees, if they resign or are made redundant without real and serious cause or if their employment terminates due to a public takeover or swap bid

- There are no arrangements, of any kind, made by the Company in favour of the company officers, and which may correspond to any form of remuneration, provision of service, compensation or benefits due or liable to be due upon or after assuming, leaving or changing their position.

Tables Recommended by the Financial Markets Authority on the Remuneration of Corporate Officers

Table 1: Summary of remunerations and options and stock granted to each Corporate Officer

Bernard Lafforet, Chairman	2018 (Fiscal year N-2)	2019 (Fiscal year N-1)	2020 (Fiscal year N)
Remuneration due for the fiscal year <i>(as itemized in table 2)</i>	€216k	€216k	€216k
Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>	None	None	None
Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i>	None	None	None
TOTAL	€216k	€216k	€216k

Michel Koutchouk, Executive Officer	2018 (Fiscal year N-2)	2019 (Fiscal year N-1)	2020 (Fiscal year N)
Remuneration due for the fiscal year <i>(as itemized in table 2)</i>	€196k	€196k	€198k
Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>	None	None	None
Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i>	None	None	None
TOTAL	€196k	€196k	€198k

Josyane Muller, Executive Officer	2018 (Fiscal year N-2)	2019 (Fiscal year N-1)	2020 (Fiscal year N)
Remuneration due for the fiscal year <i>(as itemized in table 2)</i>	€192k	€192k	€192k
Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>	None	None	None
Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i>	None	None	None
TOTAL	€192k	€192k	€192k

Éric Fabretti, Executive Officer	2018 (Fiscal year N-2)	2019 (Fiscal year N-1)	2020 (Fiscal year N)
Remuneration due for the fiscal year <i>(as itemized in table 2)</i>	€210k	€210k	€210k
Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>	None	None	None
Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i>	None	None	None
TOTAL	€210k	€210k	€210k

Table 2: Overview of remuneration for each executive director

Bernard Lafforet, Chairman	2018 (Fiscal year N-2)		2019 (Fiscal year N-1)		2020 (Fiscal year N)	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Base remuneration	€216k	€216k	€216k	€216k	€216k	€216k
Annual variable remuneration	None	None	None	None	None	None
Multi-annual variable remuneration	None	None	None	None	None	None
Exceptional remuneration	None	None	None	None	None	None
Director remuneration	None	None	None	None	None	None
Benefits in kind	None	None	None	None	None	None
TOTAL	€216k	€216k	€216k	€216k	€216k	€216k

Michel Koutchouk, Executive Officer	2018 (Fiscal year N-2)		2019 (Fiscal year N-1)		2020 (Fiscal year N)	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Base remuneration	€192k	€192k	€192k	€192k	€192k	€192k
Annual variable remuneration	None	None	None	None	None	None
Multi-annual variable remuneration	None	None	None	None	None	None
Exceptional remuneration	None	None	None	None	None	None
Director remuneration	None	None	None	None	None	None
Benefits in kind	€4k	€4k	€4k	€4k	€6k	€6k
TOTAL	€196k	€196k	€196k	€196k	€198k	€198k

Josyane Muller, Executive Officer	2018 (Fiscal year N-2)		2019 (Fiscal year N-1)		2020 (Fiscal year N)	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Base remuneration	€192k	€192k	€192k	€192k	€192k	€192k
Annual variable remuneration	None	None	None	None	None	None
Multi-annual variable remuneration	None	None	None	None	None	None
Exceptional remuneration	None	None	None	None	None	None
Director remuneration	None	None	None	None	None	None
Benefits in kind	None	None	None	None	None	None
TOTAL	€192k	€192k	€192k	€192k	€192k	€192k

Éric Fabretti, Executive Officer	2018 (Fiscal year N-2)		2019 (Fiscal year N-1)		2020 (Fiscal year N)	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Base remuneration	€210k	€210k	€210k	€210k	€210k	€210k
Annual variable remuneration	None	None	None	None	None	None
Multi-annual variable remuneration	None	None	None	None	None	None
Exceptional remuneration	None	None	None	None	None	None
Director remuneration	None	None	None	None	None	None
Benefits in kind	None	None	None	None	None	None
TOTAL	€210k	€210k	€210k	€210k	€210k	€210k

Table 3: Table on the remuneration of directors

Board members	Amounts paid during the year N-2	Amounts paid during the year N-1	Amounts paid during the year N
Bernard Lafforet	None	None	None
Michel Koutchouk	None	None	None
Josyane Muller	None	None	None
Hélène Kermorgant	€3k	€3k	€3k
Alain Hallereau	x	€3k	€3k
TOTAL	€3k	€6k	€6k

Table 4: Stock options granted to each Executive Officer during the fiscal year by the issuer and any other Group company

Name of the Executive Corporate Officer	Plan no. and date	Type of options (purchase or subscription)	Valuation of the options according to the method selected for the consolidated financial statements	Number of options granted during the fiscal year	Exercise price	Fiscal year period
Bernard Lafforet	None	None	None	None	None	None
Michel Koutchouk	None	None	None	None	None	None
Josyane Muller	None	None	None	None	None	None
Éric Fabretti	None	None	None	None	None	None
TOTAL	None	None	None	None	None	None

Table 5: Stock options exercised during the fiscal year by each Executive Corporate Officer

Name of the Executive Corporate Officer	Plan no. and date	Number of options exercised during the fiscal year	Exercise price
Bernard Lafforet	None	None	None
Michel Koutchouk	None	None	None
Josyane Muller	None	None	None
Éric Fabretti	None	None	None
TOTAL	None	None	None

Table 6: Performance stocks granted to each Executive Corporate Officer

Performance stocks granted during the fiscal year to each Executive Corporate Officer by the issuer and any other Group company (list of names)	Plan no. and date	Number of options granted during the fiscal year	Valuation of the options according to the method selected for the consolidated financial statements	Acquisition date	Vesting date	Performance conditions
Bernard Lafforet	None	None	None	None	None	None
Michel Koutchouk	None	None	None	None	None	None
Josyane Muller	None	None	None	None	None	None
Éric Fabretti	None	None	None	None	None	None
TOTAL	None	None	None	None	None	None

Table 7: Performance stock vested for each Executive Corporate Officer

Performance stocks vested for each Executive Corporate Officer	Plan no. and date	Number of shares vested during the fiscal year	Acquisition date	Vesting date	Acquisition terms
Bernard Lafforet	None	None	None	None	None
Michel Koutchouk	None	None	None	None	None
Josyane Muller	None	None	None	None	None
Éric Fabretti	None	None	None	None	None
TOTAL	None	None	None	None	None

Table 8: Employment contracts, top-up pension schemes, benefits or payments due or likely to fall due owing to the termination of or change in an appointment, compensation under a non-compete clause

Executive Corporate Officers	Employment contract		Top-up pension scheme		Benefits or payments due or likely to fall due owing to the termination of or change in an appointment.		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Bernard Lafforet Chief Executive Officer		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Michel Koutchouk Executive Officer		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Josyane Muller Executive Officer		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Éric Fabretti Executive Officer		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Table 9: History of stock options granted

INFORMATION ON STOCK OPTIONS	
	Plan
Meeting date	None
Date of Board of Directors' Meeting	None
Total number of shares that can be taken up or purchased, including the number that can be taken up or purchased by the corporate officers	None
- Bernard Lafforet, Chief Executive Officer	None
- Michel Koutchouk, Executive Officer	None
- Josyane Muller, Executive Officer	None
- Éric Fabretti, Executive Officer	None
First stock option exercisable date	None
Expiration date	None
Issue or offer price	None
Terms of exercise (where the plan includes several tranches)	None
Number of shares taken up as of December 31, 2019	None
Total number of stock options cancelled or lapsed	None
Stock options remaining at the end of the fiscal year	None

Table 10: Stock options granted for the top 10 non-executive officer employees and options exercised

	Total number of stock options	Weighted average price	Plan
Stock options granted during the fiscal year by Infotel and any company within the scope of granting stock options, to the ten employees of Infotel and any company included in this scope, for which the number of options granted is the highest (global information)	None	None	None
Stock options held for Infotel and previously authorized companies, exercised during the fiscal year by the top Infotel employees, of which the number of options purchased or fully paid-up is the highest (global information)	None	None	None

Table 11: History of assignment of free shares

INFORMATION ON STOCK GRANTED FREELY	
	Plan
Meeting date	None
Date of Board of Directors' Meeting	None
Total number of shares that can be taken up or purchased, including the number that can be taken up or purchased by the corporate officers	None
- Bernard Lafforet, Chief Executive Officer	None
- Michel Koutchouk, Executive Officer	None
- Josyane Muller, Executive Officer	None
- Éric Fabretti, Executive Officer	None
Vesting date of shares	None
End of lock-in date for shares	None
Number of shares taken up as of December 31, 2020	None
Total number of shares cancelled or lapsed	None
Free shares remaining at the end of the fiscal year	None

15. EMPLOYEES

15.1. WORKFORCE

The changes in the workforce are shown in the table below:

	2020	2019	2018
Voluntary departure rate (in %)	9.0	16.0	16.1
Average workforce in the Group	1,675	1,719	1,697
Average annual salary in the Group (€k)	42.6	42.1	42.9
Apprenticeships	14	0	1
Professional training contracts	118		
Average permanent workforce	1,597	1,660	1,639
Executive management	4	4	5
Sales personnel	95	102	86
Administration personnel	36	43	28
Engineers	1,404	1,189*	1,468
Technicians	139	322*	56

(*): the difference stems from the professional training contracts

This table does not include subcontracting.

The inter-contract rate in the Service activity is defined in days with regard to the potential activity time (excluding vacations, unpaid leave and reduced working hours) of employees that is directly chargeable.

	2020	2019	2018
Inter-contract rate	3.2%	1.9%	1.8%

15.2. EMPLOYEE PROFIT-SHARING AND INCENTIVE PLANS

Fiscal Year	2020	2019	2018	2017	2016
Employee profit-sharing for the fiscal year of Infotel Conseil	€1,757,748	€2,926,712	€1,834,898	€2,188,303	€1,813,961

As Infotel Business Consulting exceeded the threshold of 50 employees during the 2017 fiscal year, profit-sharing was calculated according to the legal rules. This amounted to €124,648 in 2017, €197,719 in 2018, €59,605 in 2019 and €86,331 in 2020.

Employee profit-sharing was calculated at OAIO for the first time in respect of the 2019 financial year and amounted to €123,495. Profit-sharing was €90,681 in respect of the 2020 financial year.

15.3. EMPLOYEE SHARE OWNERSHIP

In accordance with the terms of Article L. 225-102 of the French Commercial Code, share ownership by **Infotel** Group employees as of January 15, 2021, through the company's saving plan, is 72,600 shares representing 1.08% of the capital stock of **Infotel**.

Pursuant to the same article, it should be noted that as of December 31, 2020 no employees of the **Infotel** Group hold registered shares issued in the following conditions:

- Acquired in accordance with profit sharing, including those that are no longer in a period of non-transferability;
- Acquired following a privatization operation;
- Resulting from free allocations within the context of Article L. 22-10-59 of the French Commercial Code;
- Taken up at the time of increases in capital reserved for employees within the context of Article L. 225-187 of the French Commercial Code before its repeal by the French law of February 20, 2001, on employee savings.

Share ownership among executive management is detailed in paragraph 16.1 “Changes in the Breakdown of Capital Stock over the Last Three Years” on page 95.

15.4. STOCK OPTION PLAN AND FREE SHARE PLAN

15.4.1. Stock Option Plan

There is currently no stock option plan implemented in the Company.

Allocations and options exercised in 2020 by the top 10 non-executive officer employees

Stock options granted for the top 10 non-executive officer employees and options exercised	Total number of stock options	Weighted average price	Plan
Stock options granted during the fiscal year by Infotel for which the number granted is the highest	None	None	None
Stock options held for Infotel and previously authorized companies, exercised during the fiscal year by the top Infotel employees, of which the number of options purchased or fully paid-up is the highest	None	None	None

15.4.2. Free share plan

15.4.2.1. History of free share plans

- Free share plan No. 1 (Board of Directors’ meeting on May 23, 2006)
- Free share plan No. 2 (Board of Directors’ meeting on October 10, 2007)
- Free share plan No. 3 (Board of Directors’ meeting on January 23, 2019)
- Free share plan No. 4 (Board of Directors’ meeting on January 23, 2020)
- Free share plan No. 5 (Board of Directors’ meeting on October 21, 2020)

15.4.2.2. Current free share plans

- The Combined Stockholders’ Meeting of May 31, 2018 authorized the Board of Directors for a maximum period of 38 months, to allocate on one or more occasions free existing or new shares in **Infotel**, in order to ensure the sustainability of the company. It being specified that the number of free shares may not exceed 5% of the capital stock, at the date of the Board of Directors’ decision to grant them.
- Based on this authorization, the Board of Directors’ meeting on January 23, 2019 decided to provisionally allocate an initial tranche of 77,497 shares for 7 people, within the framework of “Free share plan No. 3”. These shares are subject to a vesting period of one (1) year as from their provisional allocation by the Board of Directors on January 23, 2019.
- The Board of Directors met on January 23, 2020, at the end of the 1-year vesting period, in order to proceed with the issue of shares related to “Free share plan No. 3” through a deduction from reserves. As from this date, the beneficiaries of free shares must observe a minimum share retention period of three (3) years.
- The same day, the Board of Directors also decided to provisionally allocate a second tranche of 86,823 shares for 7 people, within the framework of “Free share plan No. 4”.
- The Board of Directors met on October 21, 2020 and decided to provisionally allocate a third tranche of 69,283 shares for 6 people, within the framework of “Free share plan No. 5”. These shares are subject to a vesting period of one (1) year as from their provisional allocation by the Board of Directors on October 21, 2020.
- The Board of Directors met on January 27, 2021, at the end of the 1-year vesting period, in order to proceed with the issue of shares related to “Free share plan No. 4” through a deduction from reserves. As from this date, the beneficiaries of free shares must observe a minimum share retention period of three (3) years.

15.5. REPORT ON CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR) – CORPORATE SOCIAL INFORMATION

15.5.1. Summary

Corporate Social Information	2020	2019
Total workforce at December 31 ⁽¹⁾	1,623	1,674
Hires (permanent and professional training contracts)	254	390
Contract staff	0	0
Departures (permanent and professional training contracts)	306	388
Redundancies (economic and other reasons)	12	9
Additional contract hours	100 per year or 2.75 per week according to function	100 per year or 2.75 per week according to function
External labour	None	None
Staff restructuring plan	None	None
Work time organization	Annualization of working time at 90%	Annualization of working time at 90%
Work time duration	37.20 or 37.75 hours per week	37.20 or 37.75 hours per week
Part time duration (average)	30.1 hours per week	30.1 hours per week
Absenteeism reasons and rate	Sickness, workplace accidents, maternity: 2.8%	Sickness, workplace accidents, maternity: 2.7%
Average pay including bonuses (excluding executives)	€42,639/year	€ 42,050/year
Change in individual base pay during the year	+2.5% on average	+4% on average
Social security costs	43% of wages	43% of wages
Incentive plans	None	None
Profit sharing	4/7 coefficient	4/7 coefficient
Company savings plan	Yes, included in shareholding	Yes, included in shareholding
Gender equality: average salary ⁽²⁾	2.5% more for men	3.3% more for men
Equality: middle qualification (C2.2) salary	-1.1%	-0.8%
Collective bargaining agreements ⁽³⁾	Reduction of work time	Reduction of work time
Health and safety	1 health & safety committee, occup. illness: none	1 health & safety committee, occup. illness: none
Workplace accidents and commuting accidents with absence from work	7	9
Training	€1,791k for 1.7% of salaries	€1,949k for 1.8% of salaries
Disabled employees	16	9
Company welfare service	€174k (Social and Economic Committee)	€178k (Works Committee)
Sub-contracting	47.2% of total positions + subcontracting rate	48.1% of total positions + subcontracting rate
Territorial impact	None	None
Relationship with associations	None	None
Sub-contracting abroad	1.01%	<0.5%
Impact on local development abroad	None	None

(1): The difference between the Group's employees in France and employees worldwide, less than 2%, is not significant and justifies their exclusion from the data mentioned in this chapter. The data included in this table includes France and Monaco in 2019, and in 2020 except for the "absenteeism reasons and rate" indicator, which covers the scope of Infotel Conseil only.

(2): This very slight difference is deemed non-significant.

(3): A company agreement relating to reducing and organizing work time was signed on March 3, 2009, with the Works Committee for an indeterminate period of time.

15.5.2. Combating Discrimination in the Workplace

Pursuant to the provisions of Articles L.22-10-36 sub-paragraph 5 and R225-105-1 of the French Commercial Code, this section contains the Company's commitments to providing equal opportunities and promoting diversity in the workplace. They are in line with French legislation and concern 98% of the Group's employees: thus, issues such as the freedom of association and the right to collective bargaining, the elimination of forced labour and the abolition of child labour, have not been dealt with as the **Infotel** Group is located in countries that represent little risk concerning these points.

As the table above illustrates, equality between men and women has been respected. Furthermore, the Group has defined an employment policy on age and implemented an action plan.

15.5.3. Training Policy

Following an assessment of individual interview reports for 2020, a training plan was set up for each site of the Group and validated by Management. This plan is reassessed every six months using performance indicators for each division

The number of training hours fulfilled for 2020 was 99,155.

In order to deal with the Covid-19 health crisis, certain Group entities introduced short-time working provided for by the public authorities. At the peak of the crisis, more than 300 employees were on short-time working.

Thanks to our customers and the responsiveness of our management teams, the use of short-time working has quickly declined. At December 31, 2020, fewer than 30 employees were still on short-time working.

Management has also implemented a specific internal training plan for these employees. This plan has contributed to the return to work of dozens of employees.

At the same time, the Group's usual training program has been maintained. It is coordinated locally by the recruitment teams. This structure enables a training policy to be put in place as closely as possible to business line and customer needs. At the same time, employees' wishes are taken into account, particularly during career appraisals.

15.5.4. Health and safety policy/Quality of life at work

Infotel's Occupational Health and Safety & QLW policy is implemented in accordance with local legal and regulatory requirements, particularly in France.

Infotel Conseil has a Social and Economic Committee (CSE) and a Health, Safety and Working Conditions Committee (CSSCT), in charge of ensuring the application of this occupational health and safety policy.

The **Infotel** Group's activities do not involve any specific risks identified with regard to workplace accidents. Workplace and commuting accident rates are low. Accidents occur most often during home-work commuting.

2020 was marked by the management of the Covid-19 health crisis. The management of this crisis was identified as a priority by the Management, particularly in terms of occupational health.

To this end, several measures were put in place:

- Homeworking was quickly rolled out on a massive scale. It is still relevant. The successes of this project have led the Group to develop a proactive policy in this area for the future, while ensuring the balance of the working community.
- Health protocols taking into account government measures were put in place and regularly updated.
- In order to effectively support all employees in this new way of working, a homeworking guide, together with frequently asked questions, were widely distributed. These documents also aim to raise employees' awareness of best practices to avoid psychosocial risks and/or musculoskeletal disorders.
- Covid-19 officers were appointed locally to ensure close monitoring of employees and that the rules set by the Group are applied.

- Finally, from the beginning of the crisis, the Group set up a service of external psychologists to respond to any difficulties faced by employees in complete confidentiality.

Employee representative bodies were informed and consulted throughout the year on these issues.

All employees are made aware of safety guidelines on their arrival and a dedicated notice is placed in the booklets given out on employee arrival and in the various documents displayed in the buildings.

With respect to occupational illness, the main risk factor identified concerns posture at employee workstations and the use of screens.

15.5.5. Organizing Social Dialogue, Particularly Employee Information and Consultation Procedures and Employee Negotiations

Social dialogue remains a major issue to support the Group's development.

In 2019, negotiations with employee representative organisations resulted in the signing of two company-wide agreements relating to:

- **the quality of working life and gender equality:** through this agreement, the stakeholders are committed to promoting the quality of working life (confirmation of the rollout of homeworking, right to disconnect, right of expression, etc.) and professional equality between women and men. In particular, they reaffirm their commitment to:
 - ensuring every employee benefits from quality working conditions;
 - complying with the principle of non-discrimination between women and men.
 Finally, they recognize that gender diversity in jobs at every level is a source of complementarity, social balance and economic efficiency.
- **Job and Career Path Management:** this agreement addresses in particular the subjects of recruitment, integration and retention of employees, skills development, career monitoring and maintaining senior employees in employment.

There was no new agreement signed in 2020.

To promote the widest possible circulation of information in the company, the Social and Economic Committee (CSE) and the Health, Safety and Working Conditions Committee (CSSCT), are means of communication between the Management and employees.

This policy of organizing social dialogue is part of efforts to increase employees' sense of belonging to the company and to rally everybody around the Group's strategic development plan.

15.6. METHODOLOGICAL NOTE ON CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION

15.6.1. Scope of CSR Reporting

The scope of corporate reporting covers the employees of the **Infotel** Group in France and Monaco registered as of December 31, 2020 with Infotel Conseil (93.4%), Infotel Business Consulting (3.8%), OAIO (0.9%) and Infotel Monaco (1.9%). For the indicator on the absenteeism rate, the scope covered corresponds to Infotel Conseil only. The scope of environmental reporting covers the sites in France and Monaco, representing 98% of the Group workforce.

Given that the employees of subsidiaries abroad represent less than 2% of the Group's total employees, their impact is deemed not significant and as a result they are not integrated in the reporting as both corporate and environmental in this report.

15.6.2. CSR Indicators

In accordance with Ordinance No. 2017-1162 of July 12, 2017 and its Implementing Decree No. 2017-1174 of July 18, 2017 (replacing the "Grenelle II" scheme on CSR by an extra-financial performance declaration) the **Infotel** Group has made a great effort to provide maximum transparency with regard to the information concerning its extra-financial information. In accordance with the rule of comply or explain provided by the law, the **Infotel** Group does acknowledge that a limited amount of information is not included in this document: freedom of association and the right to collective bargaining, elimination of forced labour and the abolition of child labour. The main reasons may be the absence of reliable indicators on these issues to date, or the lack of interest in certain issues with regard to the Group's activities, size and geographical location. The selected CSR indicators therefore meet a criterion of materiality and relevance in relation to the activities of the **Infotel** Group.

15.6.3. Specific Points by Indicator

Energy consumption: this is the quantity of energy bought directly by the entity.

GHG emissions from business travel: the methodology for calculating this item has changed this year. 2019 emissions were calculated by the CITEPA (French Interprofessional Technical Center for Studies on Air Pollution) and, for 2020, the calculation was performed by **Infotel** based on data provided by the transport agencies.

Total workforce and distribution by gender, age and geography: this means all of the employees making up the workforce at the end of the fiscal year, irrespective of the type of work contract (excluding interns, temporary staff and sub-contractors). Employees leaving the Group at December 31 are not included in the workforce.

Total intake: this is the total number of hires during the company's fiscal year. The eligible population is that used in the "total employees" indicator.

Total departures: this is the total number of departures during the company's fiscal year. The eligible population is that used in the "total employees" indicator. Employees leaving the Group at December 31 are included in departures.

Number of accidents: this is the total number of accidents:

- A work accident is considered to be any accident occurring suddenly from or during the course of work and giving rise to official justification;
- Accidents occurring during travel for business reasons or during the commute regularly used by the employee between home and work are recognized as "commuting accidents".

Absenteeism: this is the total number of working days of absence during the fiscal year for the following reasons:

- Absences for family or parental reasons: maternity leave, parental leave, leaves authorized for family events (marriages, funerals, etc.);
- Absence for personal reasons: company creation; sabbaticals, unpaid leave;
- Absence for sickness or non-occupational accidents;
- Absence for "occupational diseases" or "commuting accidents".

Training hours: excluding training performed by **Infotel** employees for **Infotel** employees. The training hours recorded correspond to the hours invoiced over the period. Interns' training hours are included.

15.6.4. Verification of information

Pursuant to Article L.22-10-36 of the French Commercial Code, the **Infotel** Group has appointed Deloitte et Associés as an independent third-party organization in charge of verifying the CSR information for 2020 published in the Management Report.

The report of the independent third party concerning the presence and sincerity of the CSR information will be published on **Infotel's** website.

15.7. EXTRA-FINANCIAL PERFORMANCE DECLARATION

In accordance with Article L.22-10-36 of the French Commercial Code, we hereby present the Extra-Financial Performance Declaration, following the transposition of European Directive 2014/95/EU by Ordinance No. 2017-1162 of July 12, 2017 and its Implementing Decree No. 2017-1174 of July 18, 2017. This declaration replaces the CSR (Social, societal and environmental responsibility) report resulting from the "Grenelle II" procedure.

This Extra-Financial Performance Statement is intended to present a description of the business model, an analysis of the main risks and the reasonable policies and procedures implemented to better understand the identified risks.

Certain information that falls under the Extra-Financial Performance Statement is already presented in the CSR Universal Registration Document Management Report and the relevant paragraphs are therefore referred to below. For the sake of consistency for those reading this Universal Registration Document, the terms "Corporate Social Responsibility" or "CSR" have not been replaced by the "Statement of extra-financial performance" within these referenced paragraphs.

In addition, further information covering these areas is presented below in paragraph 17.7.:

- details of the measures taken for the benefit of disabled persons, following implementation of Law No. 2018-771 of September 5, 2018 defending the right to choose one's professional future;
- combating corruption following implementation of the so-called "Sapin II" Law;
- combating tax evasion following implementation of Law No. 2018-898 passed on October 23, 2018 concerning measures to combat tax, social and customs fraud.

15.7.1. Business model

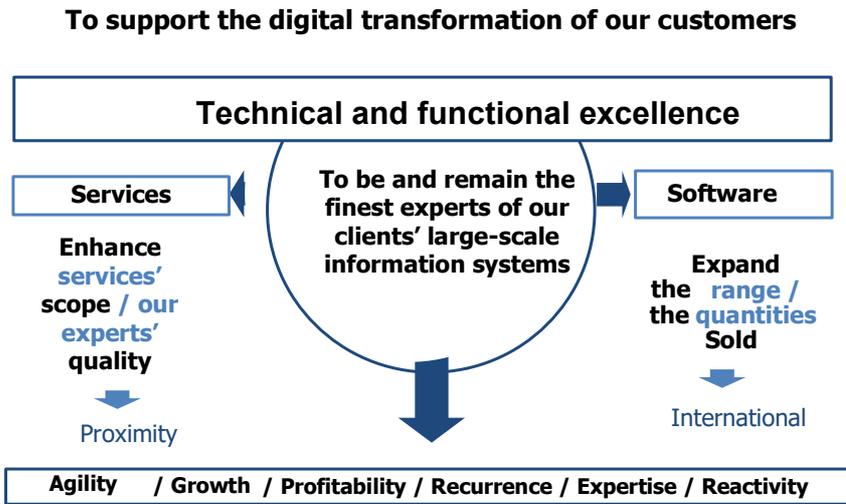
Infotel's business model information is presented in detail in paragraphs 6 (Business Overview) and 7 (Group Organization) of this Universal Registration Document. The following topics are covered:

- activity;
- business environment;
- organization and structure;
- resources;
- market on which **Infotel** operates;
- goal and value creation strategies;
- results;
- trends and future prospects.

Infotel's business model can be divided into three parts:

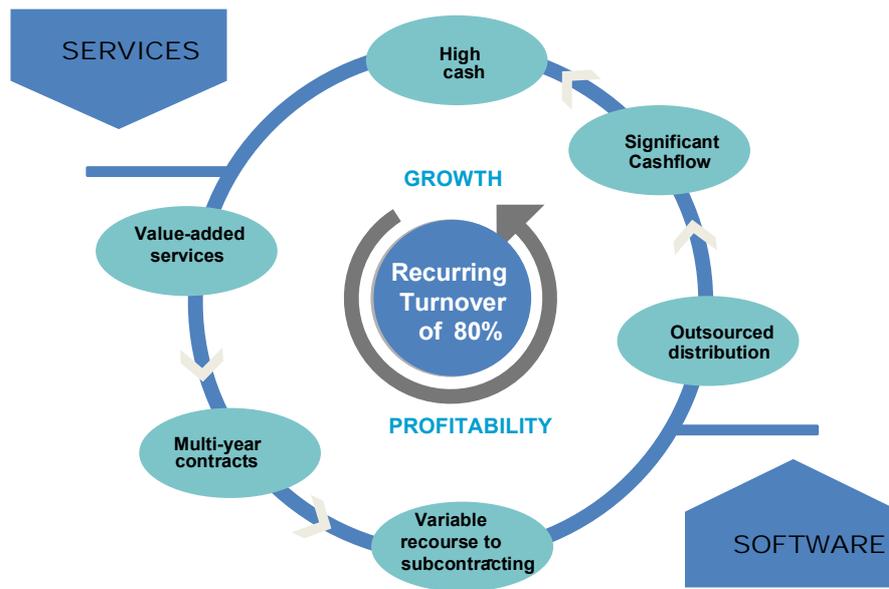
15.7.1.1. Operational Model

This shows how Services and Software, are related to the values of excellence on which customer transformation is built.



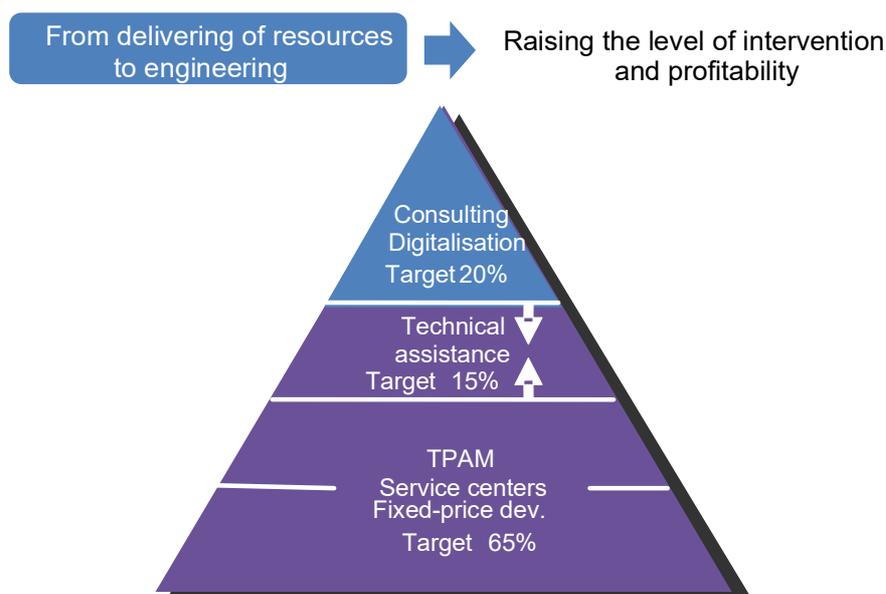
15.7.1.2. Economic model

It demonstrates how articulating the two activities contributes to the company's profitability and growth.



15.7.1.3. Business model

It demonstrates that evolving businesses ensure activities' sustainability and complementarity. The summit of the pyramid brings profitability while its base brings recurrent business.



15.7.2. Analysis of the main extra-financial risks and presentation of the policies and reasonable diligence implemented to offset these risks

The analysis of the main non-financial risks was based on working sessions and dialogue between the Group's governing body and its employees, in particular the Quality Manager. The analysis carried out made it possible to identify the risks inherent to its activity in several areas: social, societal and environmental. All of these extra-financial risks are summarized in section 15.7.2.7 "Risk matrix", making it possible to swiftly identify these risks, which are detailed in the following paragraphs:

15.7.2.1. Social/Societal

The risks encountered by **Infotel** in the social / societal field are set out in sections 3.9 "Report (CSR) on Corporate Commitment to Sustainable Development" and 17.5 "Report on Corporate Social and Environmental Responsibility (CSR) – Corporate Social Information". The policies and reasonable diligence established to offset these risks are also discussed. The following topics are addressed: Gender equality, elimination of discrimination in employment and occupation, training policy, health and safety policy, organization of social dialogue, relationships with people or organizations interested in **Infotel's** activity, outsourcing / suppliers and loyalty of practices.

Infotel has approached **Agefiph** to share employment opportunities and offer career openings in the group. **Infotel** pays particular attention to employees with disabilities, adapting their workstation in consultation with the recommendations of occupational health and ergonomics practitioners. Wherever it expands, **Infotel** makes sure the premises are accessible to people with disabilities.

In 2020, **Infotel** decided to strengthen its efforts to integrate persons with disabilities into the workplace, particularly for Infotel Conseil.

To do this, Infotel Conseil is assisted by a specialised firm. Between May 2020 and February 2021, more than 350 employees from Infotel Conseil met with the firm's consultants to discuss and learn about disability. This initiative was appreciated by all employees interviewed. This approach helped raise employees' awareness of this issue. At the same time, two disability officers were appointed to implement the company's ambitions on a daily basis.

At the same time, Infotel Conseil will implement a unilateral disability plan in H1 2021. This plan provides for various measures to integrate and support persons recognized as disabled workers.

It provides a broad knowledge of the actions implemented by the company for employees and candidates.

15.7.2.2. Environment

The risks encountered by **Infotel** in the environmental field are set out in sections 3.5 “Industrial and Environmental Risks”, 3.8 “Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information” and 3.9 “Report (CSR) on Corporate Commitment to Sustainable Development”. The policies and reasonable diligence adopted to address these risks are also presented.

15.7.2.3. Human rights

Wherever it operates, **Infotel** conducts its development with regard to fundamental human and social rights while also respecting the environment.

None of the countries where **Infotel** operates breach human rights and fundamental freedom.

Infotel complies with the ten principles of the UN Global Compact

From now on, particular attention will be paid to the working conditions of all of the Group's employees, as well as those of its sub-contractors. An article published on November 12, 2020 in the magazine “Le Point” rates **Infotel** among the top 250 employers in France and in 18th position among High Tech companies, for the quality of its working conditions.

15.7.2.4. Anti-corruption

Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life, known as “Sapin II”, introduces various fundamental measures to strengthen the transparency of groups and companies.

Again this year, **Infotel's** Executive Management was made aware of the risks of corruption and influence peddling to which employees are exposed.

Infotel condemns corruption in all its forms and ensures that its leaders and employees are involved in upholding this principle. The aim is to reject any tolerance for corruption, an objective that must be shared by the Group, its employees and its stakeholders.

As such, **Infotel** has appointed one of its employees as Compliance Manager. The latter is in charge of deploying the anti-corruption system within the Group.

Infotel has carried out a review of the reality of the risk, resulting in a map that may change over time.

In addition, an anti-corruption code of conduct has been incorporated into the company's internal rules and a whistleblowing/reporting system has been put in place within the **Infotel** Group.

15.7.2.5. Combating tax evasion

In its drive to combat tax evasion, **Infotel** ensures its operations fully comply with current legislation and tax regulations. Furthermore, its subsidiaries transparently communicate their tax returns in those countries where they are subject to this obligation.

Tax evasion is not identified as being likely to put the Group's operations or reputation at any risk.

15.7.2.6. Personal data - Compliance with the European General Data Protection Regulation (GDPR)

The GDPR came into force on May 25, 2018.

Infotel is sensitive to data protection on its behalf and for its stakeholders, customers and suppliers.

- Appointment of a DPO to the CNIL (French Data Protection Authority), who can be contacted at dpo@infotel.com
- Development of a personal data policy

- Implementation of an Information Security Management System (ISMS) since 2017 with ISO27001 certification for the sites in Paris, Nanterre, Rennes and Newcastle in the UK
- Establishment of registers compliant with the GDPR
- Procedure for the right of individuals to access, rectify and object to the processing of their personal data.
- Rollout of a GDPR awareness module for all employees

15.7.2.7. Risk matrix

Field	Type of extra-financial risks	Description	Policies and measures to address this risk (URD)	Key performance indicators (URD)
Social	Eliminating discrimination with regard to employment	Taking disability into account on two levels: - Recruitment - Access to infrastructure and the appropriate working conditions	15.7.2.1.	15.5.1
		Seeking equality between men and women: - Within the governing body - All staff members	3.9. 15.5.2.	3.9. 15.5.1.
	Social dialogue	Setting up representative staff bodies to provide social dialogue and information / consultation for negotiating with the Social and Economic Committee	15.5.5	15.5.5 15.5.1

Field	Type of extra-financial risks	Description	Policies and measures to address this risk (URD)	Key performance indicators (URD)
Social (continued)	Accidents at work / employee safety	Taking into account the risks employees are subject to, namely: - occupational accidents (risk mainly concerns staff travel) - infrastructure / building risks at the place of work, posture adopted by staff members at the workstation and when screen working	15.5.4.	15.5.1.
	Absenteeism	Taking into account the risks related to absenteeism (maternity, paternity, sickness, etc.)	15.6.3	15.5.1 15.6.3
	Training / Skills Development	Monitoring employees' skills and training to ensure all staff members can improve their skills and make progress	15.5.3.	15.5.3.
	Working conditions Well-being of employees	Taking into account the working environment of all Group employees so they work under the best possible conditions	15.5.5	15.7.2.2.

Field	Type of extra-financial risks	Description	Policies and measures to address this risk (URD)	Key performance indicators (URD)
Environment	Pollution	No risk	3.8.2.	3.8.2.
	Climate change	Environmental risks related to greenhouse gas emissions generated by Infotel's activity	3.8.5.	3.8.5.
	Prevention and waste management	Preventive measures, recycling and waste disposal	3.8.3.	3.8.3.
	Food waste	No risk	3.8.3.	3.8.3.

Field	Type of extra-financial risks	Description	Policies and measures to address this risk (URD)	Key performance indicators (URD)
Societal	Sustainable development	There are several types of risk associated with excessive consumption: <ul style="list-style-type: none"> - Excessive Group expenses resulting from overconsumption, but also - The environmental impact this overconsumption could cause 	3.8.4.	3.8.4.
	Human rights	Not a significant risk, Infotel only operates in countries that do not breach human rights and fundamental freedoms	3.9.	3.9.

Field	Type of extra-financial risks	Description	Policies and measures to address this risk (URD)	Key performance indicators (URD)
Anti-corruption	Risk of corruption and influence peddling	Here, there are several kinds of risk, including: <ul style="list-style-type: none"> - Criminal risk (fines and imprisonment) - Moreover, economic risks - Reputation 	15.7.2.4. Anti-corruption	15.7.2.4. Anti-corruption
Combating tax evasion	Risk of tax evasion	Here, there are several kinds of risk, including: <ul style="list-style-type: none"> - Criminal risk (fines and imprisonment) - Moreover, economic risks - Reputation 	15.7.2.5. Combating tax evasion	15.7.2.5. Combating tax evasion

15.8. THE INDEPENDENT THIRD-PARTY'S REPORT ON EXTRA-FINANCIAL PERFORMANCE DECLARATION

Report of one of the statutory auditors, designated an independent third party, on the consolidated extra-financial performance statement

Fiscal year ending December 31, 2020

To the shareholders,

In our capacity as statutory auditor of Infotel, designated an independent third party, accredited by COFRAC under number 3-1048 (scope of accreditation available on the website www.cofrac.fr), we present our report on the consolidated extra-financial performance statement for the year ended December 31, 2020 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code..

Corporate responsibility

The Board of Directors is responsible for drawing up a Declaration in compliance with the 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 as well as the results of these policies, including key performance indicators. The Declaration has been established by applying the procedures of the company, (hereinafter the "Reference"), the significant elements of which are included in the Declaration and available on the website or upon request at the company's registered office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the profession's Code of Ethics. Furthermore, we have set up a quality control system that includes documented policies and procedures to ensure compliance with ethical rules, professional doctrine and applicable laws and regulations.

Responsibility of the statutory auditor designated an independent third party

On the basis of the work we carry out, we are responsible for formulating a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks, hereinafter the "Information".

On the other hand, it is not for us to pronounce on compliance by the entity with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, measures against corruption and taxation, compliance of products and services with applicable regulations.

Nature and extent of our work

Our work, described below, was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code establishing the procedures in which the independent third party performs its audit and according to the professional doctrine of the French National Institute of Auditors (CNCC) relating to its intervention as well as the international standard ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted work enabling us to assess the conformity of the Declaration with the regulatory provisions and the sincerity of the Information:

- We took note of all the companies included in the scope of consolidation as well as the statement of the main risks.
- We have assessed the appropriateness of the Guidelines in terms of their relevance, comprehensiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, the sector's best practices.

- We confirmed that the Declaration covers every category of information provided for in Article L. 225-102-1 III in respect of social and environmental issues as well as respect for human rights and the fight against corruption and tax evasion.
- We verified that the Declaration includes the information stipulated in Article R. 225-105 II when it is relevant with regard to the main risks and includes, where appropriate, an explanation of the reasons justifying the absence of the information required by the 2nd paragraph of Article L. 225-102-1 III.
- We confirmed that the Statement presents the business model and the main risks related to the activity of all the entities included in the consolidation, including, where relevant and proportionate, the risks created through its business relationships, products or services, as well as the policies, actions and results, including key performance indicators.
- We consulted the documentary sources and conducted interviews to:
 - assess the process of selecting and validating the main risks as well as the consistency of the results and the key performance indicators selected with regard to the main risks and policies presented; and
 - corroborate the qualitative information (actions and results) that we considered to be the most important¹ - for the qualitative information relating to certain risks (social dialogue, climate change), our work was carried out at the level of the consolidating entity, for others, at the level of the consolidating entity.
- We confirmed that the Declaration covers the consolidated field, namely all the companies included in the field of consolidation as defined in Article L. 233-16 in compliance with the limits specified by the Declaration.
- We reviewed the internal control and risk management procedures implemented by the entity and we assessed the collection process established by the entity for the comprehensive nature and fairness of the Information.
- We have implemented, for the key performance indicators and other quantitative results² that we considered to be most important:
 - Analytical procedures consisting of confirming the correct consolidation of the collected data as well as the coherence of subsequent changes;
 - Detailed tests based on surveys, consisting of checking the correct application of the definitions and procedures and matching the data with supporting documents. This work was carried out at Infotel SA's headquarters and covers all the consolidated data relating to the key performance indicators and results selected for these tests.
- We assessed the overall consistency of the Declaration with our knowledge of the entity.

We believe that the work we have carried out in exercising our professional judgment allows us to formulate a conclusion of moderate assurance; a higher level of assurance would have required more extensive auditing work.

Means and resources

Our work called upon the skills of three people between February 2021 and April 2021.

To help us in carrying out this work, we worked with our specialists in sustainable development and social responsibility. We conducted five interviews with those in charge of drawing up the Declaration.

Conclusion

Based on this work, we have not identified any significant misstatement that would call into question the fact that the extra-financial performance declaration complies with the applicable regulatory provisions and that the information, taken as a whole, is presented sincerely, as specified by the Guidelines.

¹ **Qualitative information:** Personal data - Compliance with the European General Data Protection Regulation (GDPR), Health and Safety / QLW policy

² **Quantitative information:** Total workforce at December 31, Fixed-Term contract hires, Arrivals (Permanent contracts and professional training contracts), Redundancies (economic and for other reasons), Departures (Permanent contracts and professional training contracts), Absenteeism reason and rate, Number of training hours, Quantity of paper and cardboard generated, Quantity of EEEW generated, Electricity Consumption, Greenhouse gas emissions resulting from electricity consumption (scope 2), Greenhouse gas emissions resulting from employee plane and train travel (scope 3).

Paris-La Défense, April 26, 2021
One of the statutory auditors,

Deloitte & Associés

Cécile Rémy
Partner, Audit

Eric Dugelay
Partner, Sustainable Development

16. MAJOR STOCKHOLDERS

16.1. CHANGES IN THE BREAKDOWN OF CAPITAL STOCK OVER THE LAST THREE YEARS

To the Company's knowledge, the holders of **Infotel** common stock are:

Stockholder	Situation at 31/12/2018			Situation at 31/12/2019			Situation at 31/12/2020		
	Number of shares	% of capital stock	% voting rights	Number of shares	% of capital stock	% voting rights	Number of shares	% of capital stock	% voting rights
Bernard Lafforet	1,850,635	27.80	37.80	1,850,635	27.80	38.54	1,850,635	27.48	38.42
Michel Koutchouk	386,800	5.81	7.90	386,800	5.81	8.05	386,800	5.74	8.03
Josyane Muller	132,500	1.99	2.71	125,000	1.88	2.60	101,000	1.50	2.10
Jean-Marie Meyer	160,861	2.42	3.29	-	-	-	-	-	-
Éric Fabretti	147,500	2.22	2.92	129,011	1.94	2.59	117,933	1.75	2.35
Total Executives	2,678,296	40.23	54.61	2,491,446	37.43	51.78	2,456,368	36.47	50.90
Treasury stock	0	0	0	0	0	0	0	0	0
Liquidity agreement	3,431	0.05	0	2,315	0.03	0	2,479	0.04	0
Public	3,975,228	59.72	45.39	4,165,509	62.57	48.22	4,275,605	63.49	49.10
Total	6,656,955	100	100	6,656,955	100	100	6,734,452	100	100

In the absence of treasury stock at December 31, 2020 within the framework of the repurchase plan, the table above does not distinguish between theoretical voting rights and exercisable voting rights, which total 9,604,812.

The issuer's major stockholders, as well as all stockholders whose stock is registered nominatively for at least two years, have double voting rights according to statutory provisions.

To the Company's knowledge, the issuer is not held or more than 50% controlled by one individual or legal entity, taking into account the totality of the stock and voting rights making up the Company's capital stock, of which 63.49 % and 49.10 % of voting rights are held by the public.

However, it may be considered that Bernard Lafforet exercises de facto control of the Company in terms of the percentage of voting rights he holds, compared to the number of rights effectively exercised at the AGM. In this regard, no particular measures have been taken to ensure that this control is not exercised abusively.

To the Company's knowledge, there is no agreement whereby such implementation could, at a later date, involve a change in its control.

The nature of the leading stockholders of **Infotel** since its listing on the stock market in January 1999 shows great stability.

The executives, strongly involved in the Group's expansion, are majority stockholders. At December 31, 2020 they held 36.47% of the capital and 50.90% of voting rights.

At January 15, 2021, employee shareholding held 72,600 shares, or 1.08% of the share capital, through a company savings plan. Representing less than 3% of the share capital, this participation is not significant.

At December 31, 2020 there were no shares acquired by employee shareholding according to the conditions of Article L.225-102 of the French Commercial Code.

On January 15, 2021, **Infotel** carried out a TPI (identifiable bearer securities) inquiry, enabling it to determine the number of stockholders: there were 3,063 on this date, a slight increase compared with the 2,781 on January 17, 2020.

To the Company's knowledge, the breakdown of the capital stock and the voting rights has not changed significantly during the last three fiscal years. The executives still hold majority voting rights.

Infotel confirms its eligibility under the SME-Mid-tier share savings plan in compliance with Decree no. 2014-283 of March 4, 2014 taken for the application of Article 70 of the French Finance Law no. 2013-1278 of December 29, 2013 for 2014 and Decree no. 2016-1664 of December 5, 2016 concerning the application of Article 27 of the French Amended Finance Law no. 2015-1786 of December 29, 2015 for 2015. As a result, **Infotel** stock can still be fully integrated in PEA-PME accounts that benefit from the same fiscal advantage as a traditional stock savings plan (PEA).

On December 7, 2015, **Infotel** announced that its shares would be eligible for the French Deferred Settlement System (SRD) of Euronext Paris from December 29, 2016 in the segment "long only".

On January 29, 2016, the **Infotel** share was transferred from compartment C to compartment B of Euronext Paris. Compartment B contains listed companies with a market capitalization between 150 million and 1 billion euros.

17. RELATED PARTY TRANSACTIONS

These transactions are described in paragraph 6.2.12 “Other Information Related to Subsidiaries” on page 43.

The “Statutory Auditors’ special report on regulated agreements” covered in section 18.4.3 on page 149 does not mention any regulated agreements.

There are no transactions with associated parties.

18. FINANCIAL INFORMATION REGARDING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS

18.1. HISTORICAL FINANCIAL INFORMATION

The key financial information presented was verified and must be read in reference to the comments by the management board regarding the financial statements and financial position of the company, the consolidated accounts and their notes, as well as other financial information appearing in this universal registration document. Information on previous fiscal years is available in the registration documents for previous years that can be viewed on our website: www.infotel.com, in the section:

Investors > Registration documents.

Financial information is prepared in accordance with international financial reporting standards, as adopted in the European Union in accordance with Regulation (EC) No. 1606/2002.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of June 14, 2017, the following information is included for reference in this universal registration document:

- Consolidated accounts and audit reports for the year ending December 31, 2019 appear on pages 96 to 124 and 138 to 141 of the 2019 Registration Document, filed with the French Financial Markets Authority on April 29, 2020 under number D.20-0389; the corporate financial statements and audit reports for the year ending December 31, 2019, appear on pages 123 to 135 and 142 to 145 of the same document, the analysis of the financial position and results appear on pages 48 and 49, the investments on page 25 and 26, and the related party transactions on page 94 of this document;
- Consolidated accounts and audit reports for the year ending December 31, 2018 appear on pages 94 to 122 and 136 to 139 of the 2018 Registration Document, filed with the French Financial Markets Authority on April 26, 2019 under number D.19-0409; the corporate financial statements and audit reports for the year ending December 31, 2018, appear on pages 125 to 137 and 140 to 143 of the same document, the analysis of the financial position and results appear on pages 47 and 48, the investments on page 24 and 25, and the related party transactions on page 92 of this document.

The parts not included in these documents are either not applicable for the investor or covered in another part of the above-mentioned registration documents.

18.2. CONSOLIDATED FINANCIAL STATEMENTS

18.2.1. Consolidated balance sheet

18.2.1.1. Assets

ASSETS (in thousands of Euros)	Notes	31/12/2020	31/12/2019
Goodwill	1	11,404	11,404
Right-of-use assets	2	31,232	19,373
Intangible assets	2	7,326	7,540
Property, plant & equipment	3	5,039	3,972
Other financial assets	4	1,257	1,292
Equity-accounted securities	5	54	53
Deferred tax assets	15	1,884	2,157
NON-CURRENT ASSETS		58,196	45,791
Trade receivables	6	58,226	75,115
Other receivables	7	6,781	7,331
Current tax assets	10	5,221	2,683
Cash and cash equivalents	9	99,142	74,562
CURRENT ASSETS		169,370	159,691
TOTAL ASSETS		227,565	205,482

18.2.1.2. Liabilities

LIABILITIES (in thousands of Euros)	Notes	31/12/2020	31/12/2019
Capital	11	2,694	2,663
Capital reserves		7,584	7,581
Accumulated comprehensive income		87,716	81,946
Treasury stock	11	(102)	(89)
GROUP EQUITY		97,892	92,101
Non-controlling interests		812	613
STOCKHOLDERS' EQUITY		98,704	92,714
Loans and other long-term debts		3	4
Non-current lease liabilities	14	28,855	16,570
Provisions	12	4,528	3,624
Deferred taxes	15	92	123
NON-CURRENT LIABILITIES		33,478	20,321
Current lease liabilities	13 - 14	4,091	3,146
Trade payables	13 - 14	22,712	24,297
Other liabilities	13 - 14	68,580	65,004
Current tax liabilities			
CURRENT LIABILITIES		95,383	92,447
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		227,565	205,482

18.2.2. Income Statement and Statement of Comprehensive Income

<i>In thousands of euros</i>	Notes	31/12/2020	31/12/2019
Revenue	16	235,235	248,388
Consumed purchases		(415)	(194)
Personnel costs	18	(104,350)	(105,271)
External expenses	17	(102,429)	(110,301)
Taxes		(3,255)	(3,896)
Depreciation and amortization		(7,818)	(6,312)
Provisions		(56)	0
Other income from operations and expenses		(162)	14
CURRENT OPERATING INCOME		16,750	22,428
Other operating income and expenses		1,050	(25)
NET OPERATING INCOME		17,800	22,403
Financial Income	19	174	208
Financial Expenses	19	(696)	(376)
FINANCIAL RESULT	19	(522)	(168)
Income tax	20	(7,653)	(8,988)
Share of profits of entities accounted for by the equity method		1	1
NET INCOME FOR THE PERIOD		9,627	13,248
Group share		9,416	12,929
Non-controlling interests	21	211	319

Basic earnings per share - Group share	22	1.40	1.94
Diluted earnings per share - Group share	22	1.37	1.92

<i>In thousands of euros</i>		31/12/2020	31/12/2019
NET IINCOME FOR THE PERIOD		9,627	13,248
Gains and losses recognized directly in equity		(112)	(287)
COMPREHENSIVE INCOME FOR THE PERIOD		9,515	12,961
Group share		9,324	12,627
Non-controlling interests		191	334

18.2.3. Statement of Cash Flows

<i>In thousands of euros</i>	31/12/2020	31/12/2019
NET RESULT FOR THE PERIOD	9,627	13,248
Cost of benefits granted	3,785	2,929
Depreciation/amortization and provisions for risks and charges	8,098	5,425
Gains or losses on disposals of assets	38	(4)
Share of income from companies accounted for by the equity method	(1)	(1)
Other		
Deferred taxes		
CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAXES	21,547	21,606
Cost of net financial debt	522	168
Tax expense (including deferred taxes)	7,653	8,988
CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAXES	29,722	30,762
Taxes paid	(9,875)	(7,838)
Change in WCR related to business operations	19,303	(2,054)
NET CASH FLOW GENERATED BY ACTIVITIES	39,150	20,870
Acquisitions of property, plant and equipment and intangible assets	(4,428)	(4,196)
Acquisitions of financial fixed assets net of disposals	16	(456)
Proceeds from sale of assets	38	37
Impact of changes in scope		(1,432)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	(4,375)	(6,047)
Capital increase (including subscription of options)		
Repurchase and resale of own shares (net of corporate tax)	(9)	44
Dividends paid to the shareholders of the parent company	(7,068)	(10,646)
Dividends paid to minority shareholders of subsidiaries	(131)	
Repayment of lease liabilities	(2,463)	(2,247)
Loan repayment (including finance lease)	(1)	(1)
Net interest paid (including finance lease)	(522)	(168)
Other flows from financing activities		(54)
NET CASH FLOW FROM FINANCING ACTIVITIES	(10,194)	(13,072)
Impact of exchange rate fluctuations	(2)	(1)
Change in net cash position	24,580	1,750
Opening cash position	74,562	72,812
Closing cash position	99,142	74,562

18.2.4. Consolidated Statement of Changes in Equity

<i>in thousands of Euros</i>	Capital	Capital reserves	Treasury stock	Reserves and consolidated results	Equity - group share	Non-controlling interests	Total stockholders' equity
Equity at December 31, 2018	2,663	7,581	(133)	77,036	87,147	279	87,426
Net income for the fiscal year				12,929	12,929	319	13,248
Actuarial change				(301)	(301)		(301)
Translation adjustments				(1)	(1)	15	14
Repurchase of minority interests in IBC				12,627	12,627	334	12,961
<i>Sub-total Comprehensive income</i>				2,929	2,929		2,929
Changes in capital stock and stock option plan					0		0
Treasury stock operations			44	0	44		44
Dividends				(10,646)	(10,646)		(10,646)
Changes in scope					0		0
Equity at December 31, 2019	2,663	7,581	(89)	81,946	92,101	613	92,714
Net income for the fiscal year				9,416	9,416	211	9,627
Actuarial change				(111)	(111)	(1)	(112)
Translation adjustments				20	20	(20)	(1)
<i>Sub-total Comprehensive income</i>				9,325	9,325	190	9,514
Changes in capital stock and stock option plan	31			(31)	0		0
Allocations to reserves		3		(3)	0		0
Treasury stock operations			(13)	4	(9)		(9)
Dividends				(7,068)	(7,068)	(131)	(7,199)
Free shares granted				3,785	3,785		3,785
Other / Changes in scope				(242)	(242)	139	(103)
Equity at December 31, 2020	2,694	7,584	(102)	87,716	97,892	811	98,702

18.2.5. General Information

Infotel SA (“the Company”) is a corporation with a registered address in France.

Infotel primarily engages in software development, commercialization and maintenance activities through its subsidiaries: Infotel Corporation, Insoft Infotel Software GmbH and Archive Data Software. Its Infotel Conseil, Infotel Monaco, Infotel Business Consulting, OAI/O, Coach'IS, Collaboractif and Infotel Consulting UK subsidiaries are engaged in IT service provision.

The Consolidated Financial Statements include the Company and its subsidiaries (collectively called “the Group”).

The information disclosed as part of the accounts is an integral part of these financial statements. Unless otherwise stated, these accounts are expressed in thousands of euros, the euro being the reporting currency of the Group.

The Consolidated Financial Statements were approved by the Board of Directors on March 10, 2021 in accordance with the going concern principle; they will be submitted for approval at the Ordinary General Stockholders' Meeting on May 19, 2021.

Covid-19 was declared a pandemic by the World Health Organization on March 11, 2020. In the face of this unprecedented global health crisis, the safety of its teams, partners, subcontractors, customers and stakeholders are the absolute priorities of **Infotel**.

The Group's activity and results were affected by the consequences of the pandemic:

- Consolidated revenue for financial year 2020 amounted to €235,235 thousand, down 5.3% compared to 2019;
- Current operating income came to €16,750 thousand (€22,428 thousand in 2019) without the effect of the allocation of free shares, 2020 current operating income would be €21,254 thousand (9.04% of revenue) versus €25,935 thousand in 2019 (10.44% of revenue);
- Consolidated net income (Group share) amounted to €9,416 thousand (versus €12,929 thousand in 2019).

The Group has not changed its financial performance indicators, the effects of the pandemic are distributed throughout the income statement and certain items cannot be isolated either because their consequences result in a decline in revenue or, because the impact of Covid-19 cannot be reliably determined.

Current operating income was affected by the decline in revenue generating under-activity, particularly in France, and in the United Kingdom during the first lockdown, as well as by reduced productivity following the implementation of new health standards. The additional costs mainly concern:

- Measures taken by the Group to ensure the safety of employees on site in the face of health risks;
- Fixed personnel costs partially offset by short-time working allowances;
- Costs of unused premises or equipment.

18.2.6. Accounting Principles and Methods

18.2.6.1. Basis of preparation

In accordance with European Regulation EC No. 1606/2002 of the European Parliament dated July 19, 2002 on the application of international accounting standards, the **Infotel** Group's consolidated financial statements for the year ending December 31, 2020 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The accounting principles applied for the preparation of the annual consolidated financial statements as at December 31, 2020 are consistent with those applied for the annual consolidated financial statements as at December 31, 2019, with the exception of the standards and interpretations adopted in the European Union, applicable for the Group as from January 1, 2020.

18.2.6.2. Changes in accounting standards in 2020

IFRS, IFRIC interpretations or mandatory application amendments as at December 31, 2020

Texts adopted by the European Union:

The standards and interpretations applicable, mandatorily, as of January 1, 2020 have no material impact on the **Infotel** Group's consolidated financial statements at December 31, 2020. They mainly concern:

- Amendments to IFRS 3 "Business combinations – Definition of a business";
- Amendments to IAS 1 and IAS 8 – "Definition of 'material'";
- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IFRS 9 and IFRS 7 "Interest Rate Benchmark Reform".

The Group took note of the IFRS IC decision of December 2019 on IFRS 16 relating to the determination of the lease term and the interaction with the depreciation period of fixtures and fittings inseparable from the leased asset. The enforceable period must now be assessed from an economic and non-legal point of view. As of June 30, 2020, the inventory and analysis of the leases concerned by said decision had been carried out. The terms taken into account for these leases have been reviewed in order to comply with the clarifications provided by the IFRS IC. As this decision applies retrospectively at January 1, 2019, the 2019 comparative data (as at June 30 and December 31) were modified in the financial statements at June 30, 2020 and December 31, 2020, the tables relating to December 31, 2019 below presenting the main changes compared to the audited financial statements.

The impacts at December 31, 2019 are summarized below:

ASSETS (in thousands of Euros)	31/12/2019	Gross impact	Depreciation and amortization	31/12/2019
Goodwill	11,404			11,404
Right-of-use assets	16,195	3,187	(9)	19,373
Intangible assets	7,540			7,540
Property, plant & equipment	3,972			3,972
Other financial assets	1,292			1,292
Equity-accounted securities	53			53
Deferred tax assets	2,157			2,157
NON-CURRENT ASSETS	42,613	3,187	(9)	45,791
Trade receivables	75,115			75,115
Other receivables	7,331			7,331
Current tax assets	2,683			2,683
Cash and cash equivalents	74,562			74,562
CURRENT ASSETS	159,691			159,691
TOTAL ASSETS	202,304	3,187	(9)	205,482

LIABILITIES (in thousands of Euros)	31/12/2019	Increase in debts	Application of IFRS IC decision / Debt repayment	31/12/2019
Capital	2,663			2,663
Capital reserves	7,581			7,581
Accumulated comprehensive income	81,981		(35)	81,946
Treasury stock	(89)			(89)
GROUP EQUITY	92,136		(35)	92,101
Non-controlling interests	613			613
STOCKHOLDERS' EQUITY	92,749		(35)	92,714
Financial liabilities	4			4
Non-current lease liabilities	13,949	2,595	26	16,570
Provisions	3,624			3,624
Deferred taxes	123			123
NON-CURRENT LIABILITIES	17,700	2,595	26	20,321
Current lease liabilities	2,554	592		3,146
Trade payables	24,297			24,297
Other liabilities	65,004			65,004
Current tax liabilities				0
CURRENT LIABILITIES	91,855	592		92,447
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	202,304	3,187	(9)	205,482

<i>In thousands of euros</i>	31/12/2019	Application of IFRS IC decision	31/12/2019
Revenue	248,388		248,388
Consumed purchases	(194)		(194)
Personnel costs	(105,271)		(105,271)
External expenses	(110,345)	44	(110,301)
Taxes	(3,896)		(3,896)
Depreciation and amortization	(6,303)	(9)	(6,312)
Provisions	0		0
Other income from operations and expenses	14		14
CURRENT OPERATING INCOME	22,393	35	22,428
Other operating income and expenses	(25)		(25)
NET OPERATING INCOME	22,368	35	22,403
Financial Income	208		208
Financial Expenses	(306)	(70)	(376)
FINANCIAL RESULT	(98)	(70)	(168)
Income tax	(8,988)		(8,988)
Share of profits of entities accounted for by the equity method	1		1
NET INCOME before profit or loss from discontinued operations	13,283	(35)	13,248
Income after tax from discontinued operations			
NET INCOME FOR THE PERIOD	13,283		13,248
Group share	12,964	(35)	12,929
Non-controlling interests	319		319

Basic earnings per share - Group share	1.95		1.94
Diluted earnings per share - Group share	1.93		1.92

The other texts applicable from January 1, 2020 have no significant impact.

Non-mandatory accounting standards or interpretations at December 31, 2020 and not adopted early by the Group.

The Group has not anticipated any of the new standards and interpretations mentioned below, which may concern it and whose application is not mandatory as of January 1, 2020:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2. The changes will apply to financial years beginning after January 1, 2021;
- Amendments to IAS 1 "Presentation of financial statements - Classification of liabilities as current or non-current";
- Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets - Onerous contracts, notion of costs that relate directly to the contract";
- Amendments to IAS 16 "Property, plant and equipment - Proceeds before intended use";
- Amendments to IFRS 3 "Business combinations – References to the Conceptual Framework";
- IFRS annual improvements (2018-2020 cycle)

A study of the impacts and practical consequences of applying these amendments to standards is under way. However, they do not have any provisions contrary to the Group's current accounting practices.

18.2.6.3. Accounting method

Rules of consolidation and scope

The companies over which **Infotel** has direct or indirect control are fully consolidated.

The companies over which **Infotel** has significant influence are accounted for using the equity method.

The financial statements of the subsidiaries are incorporated in the consolidated financial statements from the date on which control is obtained until the date on which such control ceases.

All companies of the Group have a year-end of December 31.

Intra-group transactions removed from the financial statements

Balances, underlying profit and loss, income and expenses from intra-group transactions have been removed during the preparation of the consolidated financial statements. Underlying losses have been removed in the same way as underlying profit, but only where they are not representative of a loss in value.

Foreign currency transactions

Foreign currency transactions are translated using the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency at the end of the period are translated into euros by using the exchange rate prevailing at that date. Translation adjustments are accounted for in income or expenses. Non-monetary assets and liabilities in foreign currency that are valued at historical cost are translated into euros using the exchange rate prevailing at the transaction date.

Financial statements of foreign subsidiaries

Goodwill and fair value adjustments treated as assets and liabilities of the foreign entity are translated into euros by using the exchange rate prevailing the end of the fiscal year. Income and expenses of the foreign entity are translated into euros using the average rates that approximate the exchange rate at the dates of the transaction. Translation adjustments are recorded in a translation reserve, a separate component of stockholders' equity, and in non-controlling interests.

The exchange rates applied for the main currencies are as follows (currencies outside the Eurozone):

Indicative exchange rate against EUR		Average exchange rate 2020	Average exchange rate 2019	Rate at year-end 2020	Rate at year-end 2019
US dollar	USD	0.87621	0.89319	0.81493	0.89015
Pound sterling	GBP	1.12457	1.13986	1.11231	1.17536

Translation methods

In the application of IAS 21 "The Effects of Changes in Foreign Exchange Rates", all subsidiaries of the Group express operations in the most representative currency of their economic environment, the functional currency. The reporting currency of Infotel Corporation is the US dollar, that of Infotel Consulting UK the pound sterling.

18.2.6.4. Use of estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS standards requires certain accounting estimates and assumptions to be made that may affect the carrying amount of assets and liabilities, income and expenses, and the disclosures given in the notes.

The estimates and assumptions herein are carried out from prior experience and other factors considered as reasonable in view of the circumstances. They are also used to make the necessary judgements in determining the carrying amounts of assets and liabilities, which could not be obtained directly from other sources. The real values may be different from their estimated values.

Management has been required to exercise its judgment during the application of the Group accounting methods. The areas for which assumptions and estimates may be significant as regards the consolidated financial statements are primarily the assessment of goodwill, the recognition of revenue associated with IBM royalties, and the assessment of development costs.

18.2.6.5. Methods of valuation

Goodwill

The business combination is accounted for by applying the acquisition method in accordance with IFRS 3 R. According to this method, the acquirer purchases the net assets and recognizes the assets acquired and liabilities assumed at their fair value.

Goodwill represents the difference between the acquisition cost of securities (including the expected price complements that are recognized and the amounts that can be reliably measured) and the non-controlling interest's share of the fair value of the assets and liabilities and assumed liabilities identified at the acquisition date.

Therefore, in certain business combinations, when the nature of the client portfolio held by an entity and the nature of the activity performed must allow the entity to continue its commercial relations in order to create loyalty, relationships with customers are valued as intangible assets and amortized according to the average age of active customers.

Subsequently, goodwill is impacted by each cash-generating unit that is expected to benefit from the business combination. It is subjected to impairment testing (see accounting method described in note 1) annually or more regularly where there are indicators of impairment.

The Group assesses the non-controlling interests during a takeover either at fair value (full goodwill method) or on the basis of their proportional share in the net assets of the company acquired (partial goodwill method). The method is decided according to each acquisition.

Intangible assets

Separately acquired assets

These correspond to software packages acquired and recognized at acquisition cost and software packages, and customer relationships assessed at fair value as part of the reallocation of acquisition prices of entities as part of a business combination. These assets are amortized on a straight-line basis over three to seven years according to their estimated useful life.

Internally generated assets

In the application of IAS 38 *Intangible assets*:

- expenditure on research is recognized as an expense in the fiscal year in which it is incurred;
- software development expenses are recognized as intangible if, and only if, the following six criteria are met:
 - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
 - the intention to complete the intangible asset and use or sell it,
 - the ability to use or sell the intangible asset,
 - how the intangible asset will generate probable future economic benefits,
 - the availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset,
 - its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenses thus transferred to the asset include direct labour costs. Other development expenses are booked when they are incurred.

Development costs are amortized over the probable life span of the project, which is generally seven years.

Tangible assets

Tangible assets comprise fixtures and fittings, office furniture and equipment, and computer hardware.

Tangible assets are booked at acquisition cost, less cumulated amortization and expected loss in value. They are not subject to any reassessment.

The Group factors in the carrying amount of a tangible asset, for the cost of replacement of a component of the tangible asset when this cost is incurred if the economic benefits projected for the asset are for the Group and if its cost can be assessed reliably. All current upkeep and maintenance costs are recorded as expenses when they are incurred.

Depreciation is calculated on a straight-line basis, applying the expected useful life of the different asset categories:

Buildings, facilities	5 – 10 years
Fixtures and fittings	4 – 10 years
Office furniture, office equipment and IT equipment	3 – 8 years
Transport equipment	4 – 5 years

Depreciation is calculated on the acquisition cost, less any residual value. The residual value and the useful life are reviewed at the end of each fiscal year.

There are no leases that transfer substantially all the risks and benefits inherent in ownership of an asset. The lease agreements are simple operating leases.

Impairment of assets

IAS 36 *Impairment of Assets* requires the assessment at each reporting date of whether there is any indication that an asset may be impaired. If such indication exists, the entity must assess the recoverable value of the asset.

An entity must also, even in the absence of such impairment:

- test annually an intangible asset with an indefinite useful life;
- perform an impairment test on goodwill acquired in a business combination.

Impairment tests are performed at cash generating unit level (CGU) affecting the assets. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment tests compare the carrying amount and the recoverable amount of cash generating units. The recoverable amount of a CGU represents the highest value between its fair value (generally market price) and its value in use.

The value in use of a CGU is determined according to the discounted future cash flow method:

- flows relating to a 3-year forecasting period;
- flows after this 3-year period calculated by applying an infinite growth rate.

If the carrying amount of the CGU exceeds its recoverable amount, the assets of the CGU must be reduced to their recoverable amount and an impairment loss must be recognized. The impairment loss is entered as goodwill and recognized in the income statement in the section *Other Operating Costs*.

CGU segmentation applied by the Group, and the calculation parameters used for the impairment tests, are given in note 1.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and other investments held for the purpose of meeting short-term cash commitments.

IAS 7 defines cash equivalents as short-term, highly liquid investments that are easily convertible into a known amount of cash and subject to negligible risk of change in value.

Treasury shares and other equity instruments

Shares held by the Group are recognized as a deduction from equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in equity without affecting the result.

In addition, in accordance with IAS 32, shareholders' equity includes subordinated perpetual securities that meet the definition of an equity instrument.

Employee benefits

For the defined contribution plans, the Group's payments are indicated as expenses in the fiscal year in which they are incurred.

For the defined contribution plans for post-employment benefits, the contribution costs are estimated using the projected credit unit method. According to this method, the contribution rights are allocated in the periods of service

according to the acquisition formula for the plan rights, taking into account a straight-line effect when the rate of acquisition of rights is not uniform during future service periods.

The amounts of future payments corresponding to employee-agreed benefits are assessed on the assumption of future salary increase, end-of-career age, life expectancy, then brought to their current value on the basis of the interest rate of the long-term obligations of the first category issuers.

When the calculation assumptions are revised, the resulting actuarial gains and losses are fully recognized in reserves in accordance with IAS 19. The Group does not apply the corridor approach.

The cost for the fiscal year, corresponding to the sum of the cost of services rendered, of the discounted cost less the performance expected of the assets in the plan, is entirely recognized in "Personnel costs."

Stock-based payment

IFRS 2 "Stock-based payment" deals with transactions performed with employees or other third parties where payment is based on stock.

Its application in the Group concerns stock options granted to employees and free stock allocated to specific employees. According to the option offered by IFRS 1, only stock options allocated from November 7, 2002, and where the exercise date is after December 31, 2004 have been taken into account.

The cost of stock options and free stock plans is determined in relation to the fair value of the equity instruments granted, valued at the allocation date.

The fair value of free stock is determined in relation to the current market value at the allocation date, taking into account the potential dividends paid by the company between the allocation date and the vesting date.

The cost of transactions settled in stock is accounted as an expense, offsetting a corresponding increase in stockholders' equity, for the duration ending on the date on which the employee becomes fully entitled to the allocation. No expense has been recognized for benefits where the holders do not fulfil the conditions required to acquire a definitive claim.

This accounting is done by entry in "Personnel costs", offset directly in stockholders' equity under "Issue premiums".

Provisions

A provision is accounted for where there is an obligation to a third party arising before the end of the fiscal year and when the loss or liability is probable and can be assessed reliably.

Trade and other payables

Trade and other payables are assessed at their fair value during initial accounting, then at amortized cost.

Revenue recognition

"Software" activity

Software services include:

- the right to use (license) software and solutions;
- maintenance;
- associated services: installation, configuration, adaptation, training, etc.
- IBM royalties.

The license is accounted for upon delivery, which must be considered fulfilled when all the contractual obligations have been met, i.e., when the services still remaining to be provided are not significant and unlikely to compromise the client's acceptance of the products delivered or services rendered.

Maintenance, usually billed in advance, is recognized on a pro rata basis.

The services are usually provided on an ongoing basis and are recorded after they are performed, i.e. generally at the time of billing.

The revenue is made up of IBM royalties where quarterly accounting is done during collection. A provision is recorded at the end of the period. In the absence of information from IBM on the date of publication of the revenue, this provision is determined, as a precautionary measure, by taking the lowest amount in dollars received during the last four quarters, adjusted for cancellations of royalties on sales cancelled from one quarter to the next.

“Services” activity

Technical assistance services, consulting, training and projects provided on an ongoing basis

They are recognized when the service is provided, i.e. generally at the time of billing.

The production is examined at each closing of accounts:

- services rendered but not yet or only partially invoiced are valued according to the contractual selling price and billable time spent. They are recorded as revenue and appear in the balance sheet in “Invoices to be prepared” under “Accounts receivable and related accounts”;
- Services billed but not yet fully performed are deducted from billed turnover and are recorded as liabilities on the balance sheet under “Deferred income” and “Other liabilities”.

Services provided under the terms of a fixed price contract

These contracts are characterized by a commitment in terms of price, compliance and time. Services corresponding to this type of contract are recorded according to the percentage of completion method, as follows:

- the turnover and the profit generated on the contract are recorded according to the estimate of progress made;
- the amount recognized at each closing of the accounts is obtained by the difference between the budget and the amount reserved to cover the total number of man-days remaining to be performed. It is recorded either in “Invoices to be prepared” in “Accounts receivable and related accounts” or under “Deferred income” in “Other liabilities” according to the billing carried out.

Subsidies

As part of the growth of its IT projects, the Group spends money on research and development and, as such, can benefit from a Research Tax Credit. IAS 20 requires companies to allocate government subsidies to the costs, charges or assets they are supposed to offset. The research tax credit is considered to be a public subsidy and must therefore be related either to development costs, which it partly offsets, or to decreasing personnel costs.

Income tax

Income tax (expense or income) includes the current tax expense or income and the deferred tax expense or income. Tax is recognized in profit or loss unless it relates to items that are recognized directly in equity in which case it is recognized in equity.

Current tax is the estimated amount of tax payable for taxable profit for a period, determined using tax rates that were enacted or substantively enacted at the balance sheet date, and any adjustment in the amount of tax payable for previous periods.

Deferred tax is determined using the liability method on the basis of the tax rates known at closing for all temporary differences between the carrying amount of assets and liabilities and their tax bases. The following items do not give rise to the recognition of deferred taxes:

- goodwill not tax deductible;
- the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- temporary differences related to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

The valuation of deferred tax assets and liabilities is based on the way in which the Group expects to recover or settle the carrying amount of assets and liabilities, using the tax rates that have been adopted or substantively enacted at the closing date.

A deferred tax asset is recognized only to the extent that it is probable that the Group will have future taxable profits against which this asset can be attributed.

The additional tax resulting from the distribution of dividends is recognized when the dividends payable are recognized as liabilities.

On January 14, 2010, the Accounting Standards Authority (ANC) issued a notification related to the accounting treatment of the Value Added Contribution of Companies (CVAE), a component of the Territorial Economic

Contribution. The ANC states that it is up to each company to exercise its judgment, given its own situation, to determine the qualification of the CVAE.

The **Infotel** Group considers that the CVAE recorded in its accounts falls within the scope of IAS 12.

As such, the consequences are the recognition of deferred income taxes for all temporary differences on all balance sheet assets and liabilities. It is specified that the depreciable assets representing at least future income taxable to the CVAE fall within the scope of IAS 12 for the recognition of deferred tax liabilities.

Earnings per share

Consolidated basic earnings per share is calculated based on the weighted average number of common shares outstanding during the year.

Consolidated diluted earnings per share is calculated based on the weighted average number of shares outstanding plus the number of shares that would result from the exercise of stock options and the number of bonus shares that may be granted.

Segment reporting

According to IFRS 8, segment reporting is based on the internal management data used by the company Management.

An operating segment is a component of the entity:

- corresponding to an activity that can generate revenue and for which expenses are incurred, even when these revenues and expenses relate to other components of the entity;
- whose operating results are regularly reviewed by the entity's chief operating decision-maker in order to allow the allocation of resources to the various segments and the assessment of their performance;
- for which separate financial information is available.

The two sectors identified are therefore "Services" and "Software" as previously described.

18.2.6.6. Statement of facts and scope of consolidation

Legal transactions

- On January 1, 2019, Infotel Conseil acquired all of the shares of Coach'IS, as well as Collaboratif itself wholly owned by Coach'IS.
- In 2019, Infotel Conseil obtained approval for the research tax credit for a period of 3 years.
- Infotel SA increased its share capital by 77,497 shares following the allocation of free shares decided by the Board of Directors on January 23, 2019 and carried out in January 2020. At its meeting of January 23, 2020, the Board of Directors decided to award 86,823 free shares; and the Board of Directors meeting on October 21, 2020 decided to award 69,283 free shares. The decision of January 27, 2020 was implemented in February 2021.
- Infotel SA moved into its new premises in Paris at the end of H1 2020.
- Infotel Business Consulting reduced its capital during Q4 2020. Infotel SA's stake in Infotel Business Consulting was then sold to the subsidiary OAIO, which now owns 100% of Infotel Business Consulting.
- Following this acquisition, OAIO carried out a capital increase in favour of Infotel SA. The share of minority interests declined from 40% to 30%.

Audits

- Infotel Conseil underwent a tax audit in 2012 for the fiscal years 2009 to 2011, which was completed in the second quarter of 2013. An adjustment offer of €2,531k dealing essentially with the research tax credit (CIR) was received in July 2013 and challenged. The tax authorities replied to this challenge in January 2015 with a new adjustment offer of €588k. The amount requested is still in dispute. This debt was paid in 2018. The company filed an appeal and awaits a hearing for the appeal.

List of consolidated companies as of December 31, 2020

Company name	Headquarters	SIREN No.	Consolidation method	% control	% interest	Country of activity
Infotel SA	Le Valmy 4/16 avenue Léon Gaumont 75020 Paris	317 480 135	Parent company - Head of the group			France
Infotel Conseil SA	13 rue Madeleine Michelis 92200 Neuilly sur Seine	344 122 262	Full consolidation	100%	100%	France
Infotel Business Consulting SAS	13 rue Madeleine Michelis 92200 Neuilly sur Seine	530 823 020	Full consolidation	70%	70%	France
OAIO	13 rue Madeleine Michelis 92200 Neuilly sur Seine	838 059 152	Full consolidation	70%	70%	France
Coach'IS	26 avenue René Cassin 69009 Lyon	418 951 000	Full consolidation	100%	100%	France
Collaboratif	26 avenue René Cassin 69009 Lyon	539 038 731	Full consolidation	100%	100%	France
Archive Data Software	1, rue Claude Chappe 69370 Saint Didier au Mont d'Or	518 038 542	EM	33%	33%	France
Insoft Infotel Software GmbH	Sternstr. 9-11 40479 Düsseldorf	10357360260	Full consolidation	100%	100%	Germany
Infotel Corporation	PO Box 5158 Gulfport, FL 33737	592 644 116	Full consolidation	100%	100%	United States
Infotel Consulting UK	5 Jupiter Court Orion Business Park North Shields Tyne & Wear - NE29 7SE	09394161	Full consolidation	51%	51%	UK
Infotel Monaco	2 rue du Rocher 98000 Monaco	01 S 03972	Full consolidation	100%	100%	Monaco

18.2.6.7. Notes on the financial position

Note 1 – Goodwill

Table showing changes in goodwill

The movements during 2020 are as follows:

<i>In thousands of euros</i>	31/12/2019	Changes in scope	Increase	Decrease	31/12/2020
Infotel Conseil	9,970				9,970
Insoft Software GmbH	1,003				1,003
Groupe Coach'IS	431				431
Total	11,404		-	-	11,404

Breakdown of goodwill by CGU

The Group is segmented in Cash-Generating Units (CGU) in line with the operating organization and the management and reporting system. The group is organized in such a way that each subsidiary represents a CGU. For impairment testing requirements, from the acquisition date, the goodwill acquired in a business combination must be allocated to each of the acquirer's CGUs or groups of CGUs that are expected to benefit from business combination synergies, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Impairment tests

Impairment testing on goodwill is carried out annually on December 31, or more regularly if there are indications of impairment loss.

The CGU value in use is determined by the discounted future cash flow method (DCF) according to the following principles:

- Cash flows are issued with operating forecasts stated by management for the coming fiscal year with the growth forecasts for the following three years.
- The discount rate is 9%.
- The terminal value is calculated by summation in perpetuity of the discounted future cash flows, determined on the base of a normative cash flow and a perpetual growth rate. This growth rate is in line with the development potential of markets in which the entity operates, as well as its competitive position.
- The growth rate in perpetuity is 2%.

The resulting value in use is compared to the contributive value in the consolidated balance sheet of fixed assets, including goodwill. Impairment loss is recognized if this recoverable value is lower than the existing value entered in the accounts.

On December 31, 2020 the value test indicated that the goodwill is not overvalued and therefore, no impairment loss is allocated.

Reasonable changes in assumptions would not lead to any impairment.

Note 2 – Other intangible assets

<i>In thousands of euros</i>	31/12/2019	Changes in scope	Increase	Decrease	31/12/2020
Assets					
Right-of-use assets	21,962	12	15,683		37,657
Customer relationships	2,986				2,986
Development costs	16,522		985		17,507
Patents and licenses	1,019				1,020
Application software	3,159		1,009		4,168
Total	45,648	12	17,678		63,338
Amortizations					
Right-of-use assets	2,590		3,835		6,425
Customer relationships	2,560		71		2,631
Development costs	12,054		1,378		13,432
Patents and licenses	954		47		1,001
Application software	578		713		1,291
Total	18,726		6,044		24,780
NET ASSETS	26,912	12	11,634		38,558

The development costs recognized in the Group's assets during the fiscal year refer to Arcsys, HPU, Info Recovery, Merge Backup, iDBA, DB/IQ, InfoUnload projects and the Orlando and Oscar application software. They are amortized over the probable life span of the project, which is generally seven years.

Note 3 – Tangible assets

<i>In thousands of euros</i>	31/12/2019	Changes in scope	Increase	Decrease	31/12/2020
Assets					
Buildings	31			(31)	
Other assets	13,164	(10)	4,773	(4,836)	13,091
Total	13,195	(10)	4,773	(4,867)	13,091
Amortizations, Depreciations					
Buildings	31			(31)	0
Other assets	9,192	(6)	1,288	(2,422)	8,052
Total	9,223	(6)	1,288	(2,453)	8,052
NET ASSETS	3,972	(6)	3,485	(2,414)	5,039

Note 4 – Other financial assets

This includes mainly guarantee deposits.

Note 5 – Investments in companies accounted for using the equity method

<i>In thousands of euros</i>	Value at 31/12/2019	Dividends received	Income for the period	Other	Value at 31/12/2020
Archive Data Software	53		1		54
Total	53		1		53

Archive Data Software (100% share):

<i>(in thousands of euros)</i>	31/12/2020	31/12/2019
Revenue	1,000	963
Income for the year	3	4
Balance sheet total	875	584
Shareholders' equity	164	160

Note 6 – Accounts receivable

<i>(in thousands of euros)</i>	31/12/2020	31/12/2019
Accounts receivable	40,311	58,506
Doubtful debts	0	16
Invoices to be issued	17,915	16,687
Impairment	0	(94)
Net value	58,226	75,115

Changes in impairment break down as follows:

<i>(in thousands of euros)</i>	31/12/2019	Actuarial differences	Provisions	Use	Reversals	31/12/2020
Trade receivables	94				94	0
Provisions for impairment	94				94	0

Statement of accounts receivable at 31/12/2020

Statement of accounts receivable at 31/12/2020	Total	not due	due, less than 30 days	due, less than 60 days	due, less than 90 days	due, more than 91 days
Accounts receivable	58,226	53,113	2,296	733	284	1,800
%	100%	91%	4%	1%	1%	3%

Statement of accounts receivable at 31/12/2019

Statement of accounts receivable at 31/12/2019	Total	not due	due, less than 30 days	due, less than 60 days	due, less than 90 days	due, more than 91 days
Accounts receivable	75,115	64,006	6,690	2,211	1,177	1,031
%	100%	85%	9%	3%	2%	1%

Note 7 – Other receivables

<i>In thousands of euros</i>	31/12/2020	31/12/2019
Social security receivables and tax receivables (excluding deferred taxes)	4,588	4,731
Miscellaneous receivables		
Prepaid expenses	2,180	2,567
Advances and advance payments	13	33
Total	6,781	7,331

Note 8 – Working capital requirement

<i>In thousands of euros</i>	31/12/2020	Further adjustment	31/12/2019	Total change	Changes in scope	Change for the period
Accounts receivable	58,226	(111)	75,115	(16,889)		(16,889)
Accounts payable	(22,712)	(2)	(24,297)	1,585		1,585
Other receivables	6,781	(32)	7,331	(550)		(550)
Other payables	(68,580)	19	(65,004)	(3,576)		(3,576)
Working Capital Requirement	(26,285)	(127)	(6,855)	(19,430)	0	(19,430)

Note 9 – Cash and cash equivalents

<i>In thousands of euros</i>	31/12/2020	31/12/2019
Term accounts	25,000	29,000
Cash on hand	74,142	45,562
Cash assets	99,142	74,562
Bank overdraft	0	0
Cash liabilities	0	0
Net cash	99,142	74,562

Note 10 – Financial instrument assets

<i>In thousands of euros</i>	31/12/2020		Analysis by instrument category			
	Value in balance sheet	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Derivative instruments
Equity-accounted securities	54	54	54			
Non-current financial assets	1,257	1,257			1,257	
Accounts receivable	58,226	58,226			58,226	
Other receivables	6,781	6,781			6,781	
Current tax assets	5,221	5,221			5,221	
Cash	99,142	99,142	99,142			
Total Assets	170,681	170,681	99,196		71,485	

<i>In thousands of euros</i>	31/12/2019		Analysis by instrument category			
	Value in balance sheet	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Derivative instruments
Equity-accounted securities	53	53	53			
Non-current financial assets	1,292	1,292			1,292	
Accounts receivable	75,115	75,115			75,115	
Other receivables	7,331	7,331			7,331	
Current tax assets	2,683	2,683			2,683	
Cash	74,562	74,562	74,562			
Total Assets	161,036	161,036	74,615		86,421	

Note 11 – Stockholders' Equity

Changes in capital

The capital stock of **Infotel** at December 31, 2020 was €2,694k. It comprised 6,734,452 fully paid-up shares with a par value of €0.40.

Following the definitive allocation of free shares, a capital increase was recorded.

Infotel's Board of Directors' meeting on January 23, 2020 decided to allocate 86,823 shares. The fair value of the share measured according to the Black & Scholes model is €38.36 after taking into account the 3-year non-transferability period. The fair value of the plan is €3,330,000 (excluding employer contribution of €666,000).

Infotel's Board of Directors' meeting on October 21, 2020 decided to allocate 69,283 shares. The fair value of the share measured according to the Black & Scholes model is €34.64 after taking into account the 3-year non-transferability period. The fair value of the plan is €2,400,000 (excluding employer contribution of €480,000).

With regard to the share allocation plans, €4,503,000 was recognized in personnel costs in 2020 in accordance with IFRS 2 "Share-based payment".

Treasury stock

Movement in securities	31/12/2020	31/12/2019
Number of securities held at the beginning of the fiscal year	2,315	3,431
Number of securities bought	62,290	59,340
Number of securities sold	62,126	60,456
Number of securities held at the end of the fiscal year	2,479	2,315

Security value (in euros)	31/12/2020	31/12/2019
Security value at the beginning of the fiscal year	89,136	132,683
Purchases of securities	2,280,725	2,283,334
Transfer of securities during the fiscal year	2,267,503	2,326,881
Security value at the end of the fiscal year	102,359	89,136

Transfers are valued at the average price at the time of exit.

Dividends

The Combined Stockholders' Meeting on May 20, 2020 decided to pay a dividend of €1.05 per share, paid in May 2020. The payment of dividends to third parties amounts to €7,068,000 due to treasury stock.

Note 12 – Provisions for risks and charges

<i>(in thousands of euros)</i>	31/12/2019	Actuarial differences	Provisions	Use	Reversals	31/12/2020
Disputes	65		238		55	248
Retirement bonuses	3,084		660			3,744
Seniority bonuses	475		61			536
Translation differences			0			
Provisions for risks and charges	3,624		959		55	4,528

The provisions for disputes relate to pay disputes and a dispute with a supplier.

The criteria applied to determine the amount for pensions are as follows:

- Turnover for employees under 56 years:
 - 13% for employees of Infotel Conseil, IBC and OAIO
- Turnover for employees over 56 years:
 - 0.4% for the Group's entire workforce
- Discount rate: 0.42% for pensions (0.79% in 2019) and 0.22% for the 10-year seniority bonus (0.68% in 2019)
- Retirement age: 65 years
- Rate of increase in salaries for employees under 56 years: 2.5%
- No increase in salaries is planned for employees over 56 years
- Employer contribution rate: 45%.

The Group has taken out an insurance contract for pensions with an external organization since January 1, 2004 for **Infotel** and Infotel Conseil. The amount covered at December 31, 2020 was €17k. The provision for severance pay on retirement was €3,744k corresponding to the difference between the total commitment calculated according to the criteria established above and the fair value of the assets of the plan at December 31, 2020.

No supplementary payments were made to insurance organizations during the fiscal year.

The company has chosen to offset actuarial differences directly in the consolidated reserves.

Note 13 – Accounts payable and other current liabilities

Accounts payable and other current liabilities are distributed as follows:

<i>In thousands of euros</i>	31/12/2020	31/12/2019
Current lease liabilities	4,091	3,146
Accounts payable	22,712	24,297
Social security and tax liabilities	34,678	36,584
Other liabilities	6	364
Prepaid income	33,896	28,056
Total	95,383	92,447

All debts are less than one year old.

Note 14 – Financial instrument liabilities

<i>In thousands of euros</i>	31/12/2020		Analysis by instrument category			
	Value in balance sheet	Fair value	Fair value through profit or loss	Other liabilities	Debts at amortized cost	Derivative instruments
Non-current lease liabilities	28,855	28,855		28,855		
Current lease liabilities	4,091	4,091		4,091		
Accounts payable	22,712	22,712		22,712		
Other liabilities	68,580	68,580		68,580		
Current tax liabilities						
Total liabilities	124,238	124,238		124,238		

<i>In thousands of euros</i>	31/12/2019		Analysis by instrument category			
	Value in balance sheet	Fair value	Fair value through profit or loss	Other liabilities	Debts at amortized cost	Derivative instruments
Non-current lease liabilities	16,570	16,570		16,570		
Current lease liabilities	3,146	3,146		3,146		
Accounts payable	24,297	24,297		24,297		
Other liabilities	65,004	65,004		65,004		
Current tax liabilities						
Total liabilities	109,017	109,017		109,017		

Note 15 – Deferred taxes

<i>In thousands of euros</i>	31/12/2019	Actuarial differences	Change for the period	31/12/2020
Deferred tax assets				
associated with employee benefits	889		181	1,070
associated with profit sharing	964		(422)	542
associated with tax loss carryforwards	304		(32)	272
Total	2,157		(273)	1,884
Deferred tax liabilities				
associated with offsetting of statutory provisions				
associated with customer relationships	123		(31)	92
associated with adjustment of the loss in value on the exchange of securities				
associated with temporary differences				
associated with CVAE				
Total	123		(31)	92

18.2.6.8. Notes on the Consolidated Income Statement

Note 16 – Revenue

The Group's revenue comprises two activities:

- IT services for companies,
- Software publishing.

The Services revenue of the **Infotel** Group is made up of cost-plus services and fixed-price services. The breakdown of the revenue between these modes of service provision is shown here:

(as a percentage)	2020	2019
Cost-plus services	37.1	35.7
Fixed-rate services and service desks	62.9	64.3
Total	100	100

Information regarding the revenue is given in section 18.2.6.9 "Segment reporting" on page 125.

Note 17 - External expenses

<i>In thousands of euros</i>	2020	2019
Sub-contracting	91,923	97,748
Other external expenses	10,506	12,553
Total	102,429	110,301

Note 18 – Staff costs and workforce

The average workforce of the Group for the year ending December 31, 2020 was 1,698 employees. For 2019, the average workforce for the Group was 1,719 employees. Given the nature of the activity, personnel is mainly made up of managers.

<i>In thousands of euros</i>	2020	2019
Remuneration	72,445	72,273
Social security costs	29,615	29,906
Free shares	4,503	3,507
Profit sharing	1,935	3,110
Retirement bonuses	679	(355)
Provision for wage disputes	(50)	0
Capitalized development costs	(2,482)	(2,533)
CIR - Research tax credit for non-capitalized development projects	(26)	(25)
Amortization of research tax credit associated with development costs	(490)	(524)
Reimbursement and transfer of expenses related to personnel (CPAM and FAFIEC)	(1,780)	(88)
Total personnel costs	104,350	105,271

The item “reimbursement and transfer of expenses” includes allocations for short-time working in the amount of €1,569k.

Note 19 - Financial result

<i>In thousands of euros</i>	2020	2019
Interest paid on term deposits	158	173
Capital gains on transfer of marketable securities		
Interest on current accounts	(10)	
Cash and cash equivalents	148	173
Foreign exchange gains	16	35
Foreign exchange losses	(93)	(25)
Interest - IFRS 16	(595)	(351)
Other financial income/expenses	(672)	(341)
Financial result	(522)	(168)

Note 20 - Income tax

The income tax expense results from:

<i>In thousands of euros</i>	2020	2019
Tax payable for the year	5,397	7,222
Deferred corporate income taxes	293	(240)
CVAE	1,962	2,006
Income tax	7,653	8,988

The tax analysis is as follows:

<i>In thousands of euros</i>	2020	2019
Net profit before equity-accounted subsidiaries	9,627	13,284
Income tax	7,653	8,988
Profit before tax	17,279	22,272
Current corporate tax applicable to parent company	28.00%	31.00%
Theoretical income tax	4,838	6,904
Company vehicle tax and non-deductible amortizations	16	22
Temporary differences and rates	133	0
Stock costs and expenses	30	19
Tax credits and tax subsidies	15	(8)
Monaco revenue	(337)	(351)
Groupe Coach'IS revenue	2	(9)
Infotel Corp revenue	95	50
Infotel UK Consulting Ltd revenue	(27)	(55)
Insoft Infotel Software revenue	21	(1)
Free shares awarded	1,060	910
Social security contribution on earnings (CSB)	128	132
CVAE net of corporate income tax	1,413	1,385
Corporate income tax rate variation	6	0
Other	259	(10)
Actual income tax	7,653	8,988

Note 21 - Non-controlling interests

The minority interests relate to OAIO, which is 70% owned by the Group and which itself owns 100% of IBC, and to Infotel Consulting UK (51%).

Note 22 – Earnings per share

	2020	2019
Net income (Group share)	9,426	12,929
Number of shares comprising capital stock	6,734,452	6,656,955
o/w treasury stock	2,479	2,315
Average number of shares for the period	6,731,973	6,654,640
Basic earnings per share	1.40	1.94
Average number of outstanding potential dilutive stock options		
Average number of outstanding free shares	156,106	77,497
Average number of dilutive shares of capital stock	156,106	77,497
Diluted earnings per share	1.37	1.93

18.2.6.9. Segment reporting

The **Infotel** Group's activity is broken down into two segments: software and services

Net income for the fiscal year by segment

<i>In thousands of euros</i>	2020			2019		
	Software	Services	Total	Software	Services	Total
Revenue	8,361	226,874	235,235	8,470	239,918	248,388
Net Operating Income	2,948	14,852	17,800	3,201	19,202	22,403
Net income	1,397	8,230	9,627	2,146	11,102	13,248

Breakdown of Software products

<i>In thousands of euros</i>	2020	2019
IBM royalties	4,453	4,407
Sales - Software rental	1,413	1,625
Maintenance and Services associated with sales and rentals	2,495	2,438
TOTAL	8,361	8,470

Breakdown of Services revenue

<i>In thousands of euros</i>	2020	2019
Cost-plus IT development services	84,148	85,771
Fixed-price IT development services and service centers	142,726	154,147
TOTAL	226,874	239,918

IT services include businesses providing contractor and project management support, as well as advice around digitization. The Group's commercial offering is primarily a comprehensive and cross-functional offering. The Group has focused on global monitoring of cost-plus or fixed-price contacts since the latter have a performance obligation.

Distribution of revenue by geographical region

<i>In thousands of euros</i>	2020	%	2019	%
France	211,518	89.9%	222,690	89.7%
Europe	18,704	8.0%	20,591	8.3%
United States	5,013	2.1%	5,107	2.0%
Total	235,235	100%	248,388	100%

Clients representing more than 10% of revenue

Only two clients represent more than 10% of consolidated revenue.

Distribution of assets by segment

<i>In thousands of euros</i>	31/12/2020		31/12/2019	
	Software	Services	Software	Services
Non-current assets	22,809	35,387	9,912	32,701
Current assets	8,639	160,731	14,353	145,338
Total	31,448	196,118	24,265	178,039

18.2.6.10. Supplementary Information

Financial risk factors

Credit risk

Regarding the credit risk for the Group's financial assets, notably customers, the Group's exposure is associated with the possible non-performance by third parties.

Customer accounts are continually monitored. The analysis of the maturity of these financial assets that are past due and not written down is given in "Note 6 – Accounts receivable" on page 117.

Liquidity risk

In accordance with the definition given by the French financial markets authority, AMF, the liquidity risk results from having an asset with a longer term than the liability, and translates to an inability to repay short-term debts in the event of being unable to mobilize assets or take out new credit lines.

The Group considers that it is not exposed to this risk, given the absence of borrowing and its surplus cash.

Market risks

a. Interest rate risk

Since the Group has no financial debt, it is not exposed to changes in interest rates.

b. Foreign exchange risk

The foreign exchange risk affects primarily IBM royalties, which are issued in US dollars, and the billing of royalties by the Group to the US subsidiary. This risk is not subject to specific coverage.

At December 31, 2020, the net value of assets and liabilities recognized by the entities of the Group in currencies other than the Euro stood at:

- for the dollar, \$361k or €294k (\$538k or €483k as of December 31, 2019). It consists solely of the net assets of the US subsidiary and the IBM royalties for the fourth quarter of 2020;
- for pound sterling, £705k or €784k (£647k or €761k as of December 31, 2019). It consists solely of the net assets of the UK subsidiary.

c. Equity risk

The marketable securities held by the Group consist exclusively of money market UCITS. The risk associated with the change in financial markets is, as a result, limited.

Moreover, **Infotel** held 2,479 of its own shares at December 31, 2020 for a total amount of €102,359, representing an average purchase price of €41.30.

Off-balance sheet commitments

Real estate commitments are associated with leases (excluding IFRS 16) according to the French regulation on commercial leases, called "3-6-9". These commitments are valued at the maximum commitment.

	Less than a year	Between 1 and 5 years	More than 5 years
Commercial lease commitments (excluding IFRS 16)	4,474	15,747	8,034

To the **Infotel** Group's knowledge, no significant off-balance sheet commitments have been omitted from this list, in accordance with applicable accounting standards.

Statutory Auditors' fees

In €k	Audit Consultants Associés		Constantin Associés		Audit Consultants Associés		Constantin Associés	
	2020		2020		2019		2019	
	Amount (excl. taxes)	%	Amount (excl. taxes)	%	Amount (excl. taxes)	%	Amount (excl. taxes)	%
Audit								
- Statutory audit, certification and review of the individual and consolidated financial statements								
- Issuer	51	40	61	51	50	40	70	55
- Fully consolidated subsidiaries	75	60	47	39	74	60	46	36
- Services other than the statutory audit								
- Issuer								
- Fully consolidated subsidiaries								
<i>Sub-total</i>					124	100	116	91
Other Services Provided by the Networks to Fully Consolidated Subsidiaries								
- C.S.R			12	10			12	9
- Other (to be specified if > 10% of audit fees)								
<i>Sub-total</i>							12	9
TOTAL	126	100	120	100	124	100	128	100

Current liabilities

To our knowledge, there are no other liabilities that have had in the recent past, a significant impact on the activity, results, financial situation and holdings of the **Infotel** company and its subsidiaries

Post-balance sheet events

Following the acquisition of all IBC shares by OAIO, it was decided to merge IBC with OAIO with retroactive effect from January 1, 2021.

On January 1, 2021, Infotel SA acquired the majority shares of Archive Data Software. Infotel SA therefore owns 100% of the company.

Transactions with related parties

Executive compensation

The gross compensation allocated to management and for functions performed in the **Infotel** Group for 2020 was €816k.

The Group has not assumed any commitment regarding post-employment benefits for its directors (pensions, severance pay, etc.).

Other transactions

There are no other transactions with related parties.

18.3. ANNUAL FINANCIAL STATEMENTS

18.3.1. Balance Sheet – Assets

<i>Amounts in €</i>	Gross	Amortization/de preciation	Net at 31/12/2020	Net at 31/12/2019
ASSETS				
Intangible assets				
Research and development costs	23,818,562	18,021,662	5,796,900	6,194,045
Concessions, patents and licenses	555,270	537,714	17,556	57,837
Tangible assets				
Buildings				
Other tangible assets	2,908,708	882,272	2,026,436	271,268
Construction work in progress				
Financial assets				869,774
Investments and related receivables	10,146,090		10,146,090	10,603,448
Other financial assets	448,449		448,449	427,058
TOTAL FIXED ASSETS	37,877,079	19,441,647	18,435,431	18,423,430
Inventories				
Advances and prepayments on orders	1,386		1,386	1,000
Receivables				
Accounts receivable	2,426,614		2,426,614	1,409,094
Receivables from suppliers	0		0	0
State, Income tax payable	5,115,880		5,115,880	2,603,588
State, Tax on revenue	393,101		393,101	561,310
Other receivables	423,330		423,330	533,548
Other				
Marketable securities	102,359		102,359	89,136
Cash on hand	8,560,489		8,560,489	10,559,300
Prepaid expenses	219,900		219,900	238,139
TOTAL CURRENT ASSETS	17,243,060		17,243,060	15,995,115
Translation adjustments - Assets	60,685		60,685	
ACCRUALS	60,685		60,685	
TOTAL ASSETS	55,180,824	19,441,647	35,739,176	34,418,545

18.3.2. Balance Sheet – Liabilities

<i>Amounts in €</i>	Net at 31/12/2020	Net at 31/12/2019
LIABILITIES		
Capital stock	2,693,781	2,662,782
Issue, merger, acquisition premiums, etc.	7,410,179	7,410,179
Statutory reserve	269,378	266,278
Other reserves	362,592	393,591
Retained earnings	11,329,714	6,566,349
Income for the year	7,595,556	11,834,175
TOTAL STOCKHOLDERS' EQUITY	29,661,200	29,133,354
TOTAL OTHER EQUITY		
Provision for foreign exchange losses	60,685	
TOTAL PROVISIONS FOR RISKS AND EXPENSES	60,685	
<i>Overdrafts and credit lines</i>	1,671	1,116
Loans and debts payable to credit institutions	1,671	1,116
Loans and other financial debts - Affiliates	4,633,394	3,447,680
Accounts payable	753,876	985,025
<i>Personnel</i>	6,000	
<i>Social security bodies</i>	47,012	44,840
<i>State, Tax on revenue</i>	138,176	23,948
<i>Other tax and social security liabilities</i>	30,952	23,928
Tax and social security liabilities	222,141	92,716
Secured liability on property		
Other liabilities		360,000
Deferred income	406,210	386,966
TOTAL DEBT	6,017,291	5,273,504
Translation adjustments - Liabilities		11,686
TOTAL LIABILITIES	35,739,176	34,418,545

18.3.3. Income statement

<i>Amounts in €</i>	31/12/2020	31/12/2019
Operating revenue		
Sale of commodities		
Production sold (goods)		
Production sold (services)	9,784,833	9,941,090
Net revenue	9,784,833	9,941,090
Production left in stock		
Production capitalized		
Operating subsidies		
Write-backs of amortization and provisions, expenditure transfers	1,475,399	1,374,597
Other income	6	300
Total Operating Revenue (I)	11,260,238	11,315,987
Operating Expenses		
Purchase of commodities		
Change in stock		
Purchase of raw materials and other supplies		
Change in stock		
Other purchases and external expenses	5,242,266	5,509,884
Taxes and similar payments	177,889	173,083
Salaries	815,808	814,064
Social security costs	307,024	306,980
Operating costs:		
- On fixed assets: amortization	2,197,219	2,237,930
- On fixed assets: provisions		
- On current assets: provisions		
- For risks and charges: provisions		
Other expenses	15,653	6,919
Total Operating Expenses (II)	8,755,859	9,048,860
OPERATING INCOME (I - II)	2,504,379	2,267,126
Share of profit of shared operations		
Allocated gain or transferred loss (III)		
Sustained loss or transferred gain (IV)		
Financial Income		
Investments	4,552,345	9,803,199
Other securities and fixed asset receivables		
Other interest and similar income	59,312	67,149
Write-backs of provisions and expenditure transfers		
Foreign exchange gains	2,455	24,045
Net income on disposal of short-term investment securities	42,274	28,571
Total Financial Income (V)	4,656,386	9,922,964
Financial Costs		
Depreciation, amortization and provisions	60,685	
Interest and similar costs	12	
Foreign exchange losses		
Net expenses on disposal of short-term investment securities	38,382	28,633
Total Financial Costs (VI)	99,079	28,633
FINANCIAL INCOME (V - IV)	4,557,307	9,894,332
CURRENT INCOME BEFORE TAX (I-II+III-IV+V-VI)	7,061,686	12,161,458

.../...

	31/12/2020	31/12/2019
Exceptional Revenue		
On management operations		
On capital operations	3,304,712	
Write-backs of provisions and expenditure transfers		
Total Exceptional Revenue (VII)	3,304,712	
Exceptional Costs		
Fines		
On management operations	11,437	
On capital operations	2,098,318	
Exceptional depreciation/amortization and provisions		
Total Exceptional Costs (VIII)	2,109,755	
EXCEPTIONAL INCOME (VII-VIII)	1,194,957	
Profit sharing (IX)		
Income tax payable (X)	661,087	327,283
Total Revenue (I+III+V+VII)	19,221,336	21,238,951
Total Expenses (II+IV+VI+VIII+IX+X)	11,625,780	9,404,776
PROFIT OR LOSS	7,595,556	11,834,175

18.3.4. Notes to the Annual Accounts

1. Accounting principles

These annual accounts were prepared and presented in line with generally accepted accounting principles in France, with regards to the principles of prudence and independence of the fiscal years and assuming the principle of going concern. The assessment of the items accounted for was performed in reference to the historical cost method.

They were prepared in accordance with French Accounting Standards Authority (ANC) regulation No. 2014-03 of June 5, 2014 updated for the various additional regulations at the date of the preparation of the said annual accounts.

These annual accounts were approved by the Board of Directors on April 14, 2021.

The fiscal period covers the calendar year 2020. The notes and tables given above are an integrated part of the annual accounts.

Apart from the remuneration and dividends, there is no other relation with the directors. The information with the affiliated companies is specified at each individual level in the notes.

Change in method

There has been no change in accounting method during the fiscal year ending December 31, 2020.

Use of estimates

In order to prepare the financial statements in line with the accounting standards applied in France, management is required to make estimates and assumptions that may impact the amounts reported in these financial statements. The actual results may ultimately show significant differences to these estimates.

Development costs

Pursuant to the French Accounting Standards Authority (ANC) regulation no. 2014-03, **Infotel** records as intangible assets the development costs of software and amortizes them over the probable life span of the projects when they comply with activation criteria defined by Article 212-3:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- the availability of adequate resources to complete the development of the intangible asset,
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are amortized over the probable life span of the project, which is generally seven years.

Development costs that do not meet the activation criteria and research costs are recognized directly in expenses.

Software

Software and usage rights acquired with full ownership are recorded as assets and amortized on a straight-line basis from 1 to 3 years if their useful life is greater than one year.

Tangible assets

Tangible assets are accounted for at their acquisition cost.

Depreciation is calculated on a straight-line basis for the expected useful life of the different categories.

The generally accepted depreciation period is:

- | | |
|----------------------------------|---------------|
| • Buildings, facilities | 10 years |
| • Fixtures and fittings | 4 to 10 years |
| • Furniture and office equipment | 3 to 8 years |
| • IT equipment | 3 years |
| • Transport equipment | 5 years |

Equity securities

Equity securities are recorded at acquisition cost. A provision for impairment is accounted for if this value is greater than the value in use. The value in use is reviewed according to medium-term development prospects for securities and an assessment on the basis of the expected discounted future cash flow of the companies concerned.

Receivables

Receivables are recognized at par value. On a case by case basis, they are assessed for provision if their recovery appears to be compromised.

Stock options

Stock option plans for Group employees are not accounted for at allocation date, rather they result, at the exercise date for their holders, in an increase in capital corresponding to the number of shares issued.

Given the conditions of issue of these options (option exercise period and exercise price), **Infotel** is not subject to social security contributions on stock options.

At December 31, 2020, there were no stock option plans in force.

Treasury stock

The treasury stock acquired by the company is accounted for as securities. It is subject to impairment when the inventory value (based on the average market price over the last month before the end of the fiscal year) is less than the purchase price.

Pensions and other employee benefits

The workforce of Infotel SA at December 31, 2020 comprised four people, all corporate officers.

According to the recommendations of the AFEP and the MEDEF, pensions and other employee benefits for company officers must be decided by the Board of Directors. Since the Board of Directors of Infotel SA has not made any decision on pensions or other benefits for company officers, no provision has been allocated.

Revenue recognition

The rules for taking into account the turnover are as follows:

- Sale of software packages: the turnover is recorded during the installation and at the latest during the final acceptance.
- Maintenance of software packages: invoices issued for maintenance are recognized prorata temporis over the duration of the contract and give rise to the recognition of deferred revenue.
- IBM royalties: The revenue is made up of IBM royalties where quarterly accounting is done during collection. A provision is recorded at the end of the period. In the absence of information from IBM on the date of publication of the revenue, this provision is determined, as a precautionary measure, by taking into account the lowest amount of royalties received during the last four quarters, adjusted for cancellations of royalties on sales from one quarter to the next.

The **Infotel** Group does not have any revenue in countries with specific economic risks.

2. Statement of facts

- Infotel SA increased its share capital by 77,497 shares following the allocation of free shares decided by the Board of Directors on January 23, 2019 and carried out in January 2020. At its meeting in January 2020, the Board of Directors decided to award 86,823 free shares; and the Board of Directors meeting on October 21, 2020 decided to award 69,283 free shares. The decision made in January 2020 was implemented in February 2021.
- Infotel SA moved into its new premises in Paris at the end of H1 2020.
- The Covid-19 pandemic had little impact on Infotel SA's accounts, some purchases of supplies (masks, hand sanitizer, etc.) were recorded but their amount is not significant.

3. Notes to the accounts

a) Stockholders' equity

The changes in equity during the fiscal year were as follows:

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Capital	2,662,782	30,999		2,693,781
Issue premium	7,410,179			7,410,179
Statutory reserve	266,278	3,100		269,378
Other reserves	393,591		30,999	362,592
Retained earnings	6,566,349	11,329,714	6,566,349	11,329,714
Income for the previous year	11,834,175		11,834,175	0
Income for the year		7,595,556		7,595,556
TOTAL	29,133,354	18,959,369	18,431,523	29,661,200

The changes in capital, premiums and reserves are attributed essentially to the following:

- Distribution of a dividend of €1.05 per share, (for 6,731,153 shares) for a total amount of €7,067,711 and €7,071,175 after removing dividends on treasury stock.

The capital stock, fully paid up, comprised on December 31, 2020, of 6,734,452 shares with a par value of €0.40, including 2,479 held by **Infotel**.

Stock options

No stock option plan has been issued since 2016.

b) Provisions for risks

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Provision for foreign exchange losses		60,685		60,685
TOTAL		60,685		60,685

A provision for foreign exchange losses was recognized due to the fall in the dollar with Infotel Corp.

c) Intangible assets

The changes in intangible assets, in gross values, are as follows:

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Software acquired	554,310	960		555,270
Development costs	22,351,360	1,467,202		23,818,562
TOTAL	22,905,670	1,468,162	0	24,373,832

The development costs recognized in the Group's assets during the fiscal year refer mainly to the following projects: Arcsys, HPU MP, IDBA, HPU z/OS, Merge Backup, DB/IQ, Orlando and Oscar. They are amortized over the probable life span of the project, which is generally seven years.

The changes in amortization are as follows:

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Software acquired	496,473	41,241		537,714
Development costs	16,157,315	1,864,347		18,021,662
TOTAL	16,653,788	1,905,588	0	18,559,376

d) Property, plant and equipment

The changes in tangible assets, in gross values, are as follows:

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Installations and facilities	31,278		31,278	0
Fixtures and fittings	796,161	1,347,053	723,052	1,420,162
Transport equipment	33,866	71,764	33,866	71,764
Office equipment	885,847	113,760	99,024	900,583
Office furniture		516,199		516,199
Construction work in progress	869,774	0	869,774	0
TOTAL	2,616,926	2,048,776	1,756,994	2,908,708

The increases during the year are related to investment in the new premises in Paris.

The changes in depreciation are as follows:

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Installations and facilities	31,278			31,278
Fixtures and fittings	630,889	179,234	723,052	87,071
Transport equipment	31,495	10,551	31,890	10,156
Office equipment	782,223	76,268	99,024	759,467
Office furniture		25,578		25,578
Construction work in progress	0			0
TOTAL	1,475,885	291,631	885,244	882,272

The decreases are mainly due to the removal of fixtures and fittings following the move to Paris.

e) Financial assets

The changes in financial assets, in gross values, are as follows:

<i>In €</i>	31/12/2019	Increase	Decrease	31/12/2020
Equity securities	10,603,448	1,638,984	2,096,342	10,146,090
Treasury stock	0			0
Guarantee deposits	427,058	96,926	75,534	448,450
TOTAL	11,030,506	1,735,910	2,171,876	10,594,540

The increases in financial assets are related to the increase in OAIO's capital, as well as the additional guarantee deposit paid for the new Valmy premises. The decreases are related to the disposal of IBC shares to OAIO as well as the reimbursement of guarantees by Eiffage for the former premises.

f) Accounts receivable

Accounts receivable of €2,426,614 correspond to invoices issued and unpaid at the end of the fiscal year; the latter corresponding to licenses delivered and maintenance services performed at the closing date of the fiscal year. They amounted to €1,409,094 at the end of the previous fiscal year.

Invoices to be issued totalled €794,224 at December 31, 2020, which corresponds in particular to royalties to be billed to IBM for sales during the last quarter of 2020, calculated according to the method described above. Accounts receivable due from affiliated companies stood at €1,142,617 at December 31, 2020.

g) Other receivables

<i>In €</i>	31/12/2020	31/12/2019
Corporate income tax	5,115,880	2,603,588
Value added tax	393,101	561,310
Other receivables	423,330	533,548
Tax consolidation current account		
TOTAL	5,932,311	3,698,446

The corporate income tax receivable is associated mainly with the impact of tax consolidation and tax credits. Other receivables of €423,330 correspond primarily to cash advances to our OAIO and Infotel UK Consulting subsidiaries.

h) Prepaid expenses

They stood at €219,900 at December 31, 2020. They only include operating expenses (rents, insurance, maintenance, etc.). They were higher this year since the rent and rental costs of the new premises were invoiced at the end of December. They were €238,139 at the end of the previous fiscal year.

i) Maturity of receivables

<i>In €</i>	Gross amount	Maturities less than one year	Maturities more than one year
Fixed asset receivables			
Receivables associated with investments	0		
Loans	0		
Other financial assets	448,450	30,374	418,076
Current asset receivables			
Accounts receivable	2,426,614	2,426,614	
Other receivables	5,932,311	5,932,311	0
Prepaid expenses	219,900	219,900	
Translation differences - Assets	60,685	60,685	
TOTAL	9,087,960	8,669,884	418,076

j) Loans and other financial debts

The company does not have any loans.

Financial debt amounted to €4,633,394 at December 31, 2020 vs. €3,447,680 at December 31, 2019. This relates mainly to down payments made by French subsidiaries for tax consolidation purposes.

k) Accounts payable

Accounts payable amounted to €753,876 at December 31, 2020, vs. €985,025 at the end of the previous fiscal year.

Invoices receivable totalled €308,520 at December 31, 2020.

They represent general costs, where the due date is less than one year.

Amounts due to affiliates totalled €391,539.

l) Tax and social security liabilities

Tax and social security liabilities (in €) are broken down as follows:

<i>In €</i>	2020	2019
Personnel	6,000	0
Social security bodies	47,013	44,840
VAT	138,176	23,948
Other taxes	30,952	23,928
TOTAL	222,141	92,716

Tax and social security liabilities all have a due date of less than one year.

m) Unearned revenues

At December 31, 2020, unearned revenues represented €406,210, corresponding to the pro rata spread of lease and maintenance contracts and royalties paid by our subsidiary Infotel Corp. They amounted to €386,966 at the end of the previous fiscal year.

n) Maturity of payables

<i>In €</i>	Gross amount	Maturities less than one year	Maturities more than one year	Maturities more than 5 years
Bank loans and other financial debts	1,671	1,671		
Loans and other financial debts	4,633,394	4,633,394		
Accounts payable	753,876	753,876		
Tax and social security liabilities	222,141	222,141		
Fixed asset liabilities	0	0		
Other liabilities	0	0		
Unearned revenues	406,209	406,209		
TOTAL	6,017,291	6,017,291	-	-

o) Operating revenue

The breakdown of revenue by geographical region is as follows:

<i>In €</i>	2020	2019
Non-group France	1,605,484	1,584,039
Non-group USA	4,452,574	4,407,183
Non-group Europe	185,230	339,026
Non-group Export (others)	0	0
SUB-TOTAL NON-GROUP	6,243,288	6,330,248
Group France	3,167,814	3,167,613
Group USA	372,824	443,229
Group Europe	907	
SUB-TOTAL GROUP	3,541,545	3,610,842
TOTAL	9,784,833	10,337,025

Infotel SA operates in a single activity segment, the commercialization of software packages. For their implementation, it may occasionally provide services. At December 31, 2020, these service provisions amounted to €59,973 vs. €99,892 in 2019.

Intra-group billing involves:

- in France, management fees of the Group and the rebilling of costs;
- in Europe and the USA, royalties associated with the sale of **Infotel** products abroad.

Provision write-backs and expenditure transfers of €1,475,399 concern the activation of research and development costs for €1,467,202 (vs. €1,370,534 in 2019).

p) Financial result

Financial income amounted to €4,656,386 vs. €9,922,964 in the previous fiscal year and consisted of dividends received, interest on term deposits in Euros or US Dollars, foreign exchange gains and capital gains on marketable securities or treasury stock.

In 2020, the company received €3,000,000 in dividends from Infotel Conseil, €400,000 from Infotel Business Consulting, €60,000 from OAIO, €1,000,000 from Infotel Monaco and €92,345 from Infotel UK.

Financial expenses amounted to €99,079 in 2020 vs. €28,633 in 2019. They correspond mainly to capital losses on disposal of treasury stock and the provision for foreign exchange losses with Infotel Corp.

q) Foreign exchange risks

The parent company assumes the currency risk on intra-group billing outside the Eurozone (essentially, Infotel Corporation) and on revenue with IBM. Foreign **Infotel** subsidiaries invoice their services in local currency.

The portion of the revenue that can be affected by a fluctuation in the US Dollar is €4,825,398 or 49% of revenue as in the previous financial year.

r) Income tax

Infotel SA's net income tax expense was €661,087 in 2020 vs. €327,283 in 2019, determined pursuant to tax rules and the applicable rates.

Infotel SA is head of a tax consolidation group composed of Infotel Conseil. Tax consolidation generated an additional tax expense of €16,502 recognized in the Infotel SA accounts.

Increases and decreases in future tax liabilities

There are no increases or decreases in future tax liabilities.

3. Workforce at the end of the fiscal year

The workforce of **Infotel** at December 31, 2020 comprised a team of 4 people, all corporate officers.

4. Remuneration of management bodies

The gross compensation allocated to management and for functions performed in the **Infotel** Group was €815,808 for 2020.

No advance or credit was granted to the Company's officers during the 2020 financial year.

5. Statutory Auditors' fees

The fees of the statutory auditors for 2020 were €142,120, including €130,120 for the consolidated financial statements and €12,000 for verifying extra-financial information.

6. Commitments

Pensions and other employee benefits

No supplementary plans or differential plans were implemented that involve future supplementary pension payments for **Infotel**, either as defined benefits or defined contributions.

Financial commitments received or given (including leasing)

The company signed a lease taking effect on March 1, 2020 for its future headquarters.

7. Post-balance sheet events

On January 1, 2021, Infotel SA acquired the majority shares of Archive Data Software. Infotel SA therefore owns 100% of the company.

On January 27, 2021, the Board of Directors recognized a capital increase involving 86,823 shares or €34,729.20 following the definitive allocation of free shares decided by the Board of Directors on January 20, 2020. The capital now amounts to €2,728,510 (6,821,275 shares with a par value of €0.40).

Following the health crisis, **Infotel** was obliged to adapt its organisational structure to these measures, in particular through massive use of homeworking and short-time working for employees with no work.

Infotel has observed that some of its customers have seen their activity significantly impacted. The Group remains particularly vigilant regarding the development of the situation.

In this respect, and given the cash position, it is considered that this post-balance sheet event does not undermine the assumption of the continuity of operations adopted in the preparation of the financial statements for fiscal year 2021 set out previously in the note to the sections relating to “accounting principles” and to the “use of estimates”.

8. List of subsidiaries and investments

Infotel SA is the parent company of the **Infotel** Group.

<i>In €k</i>	Infotel Conseil	Infotel Monaco	Infotel Corp	OAIO	Archive Data Software	Insoft Infotel Software	Infotel UK
Capital	20,000	150	0.87	133	150	50	0.057
Stockholders' equity (excluding capital stock and before earnings)	49,678	528	(184)	2,031	10	729	489
Holding	100%	100%	100%	70%	33%	100%	51%
Gross book value of treasury stock	6,269	128	0.87	1,699	50	2,000	0.07
Net book value of treasury stock	6,269	128	0.87	1,699	50	2,000	0.07
Loans and advances granted	0	0	0	200	0	0	222
Guarantees and surety provided by the company	0	0	0	0	0	0	0
Revenue (excl. taxes)	221,985	5,458	560	4,129	1,000	1,158	2,156
Profit/Loss	9,621	1,205	(316)	400	3	456	253
Dividends received by the company during the fiscal year	3,000	1,000	0	60	0	450	92.3

All of the companies close their annual accounts on December 31, 2020. All of the data presented is for 2020.

The data for Infotel Corp. was converted at the following exchange rates:

- Average exchange rate of \$1 = €0.87621 for the income statement and \$1 = €0.81493 for equity.

The data for Infotel UK was converted at the following exchange rates:

- Average exchange rate of £1 = €1.12457 for the income statement and £1 = €1.11231 for equity.

18.4. STATUTORY AUDITORS' REPORT

18.4.1. Statutory Auditors' report on the consolidated accounts

Fiscal year ended December 31, 2020

To the Stockholders' Meeting of **Infotel**,

Opinion

In execution of the mission entrusted to us by the General Meeting, we have audited **Infotel's** consolidated financial statements for the year ended December 31, 2020, as attached to this report.

We certify that the consolidated financial statements are, in accordance with the IFRS as adopted in the European Union, regular and fair. They give a true and fair view of the results of the operations during the period as well as the financial position and assets of the group consisting of the persons and entities included in the consolidation at the end of the financial year.

The opinion formulated above is consistent with the content of our report to the board of directors exercising the missions of the specialized committee referred to in Article L.823-19 of the French Commercial Code.

Basis of opinion

Audit terms of reference

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

The responsibilities incumbent upon us with respect to these standards are specified in the "Responsibilities of the Statutory Auditors Relating to the Audit of the Consolidated Financial Statements" of this report.

Independence

We have performed our audit assignment in compliance with the independence rules that apply to us, for the period from January 1, 2020 to the issuance date of our report, and in particular we have not provided services prohibited by Article 5, paragraph 1, of the regulation (EU) No. 537/2014.

Justification of the assessments - Key points of the audit

The global crisis linked to the Covid-19 pandemic creates specific conditions for the preparation and auditing of the financial statements for this financial year. This crisis and the exceptional measures taken in the context of the health emergency have many consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are implemented.

It is in this complex and evolving context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby draw your attention to the key points of the audit relating to risks of material misstatement that, in our professional judgment, were the most important for the audit of the consolidated financial statements for the fiscal year, as well as the responses that we have provided with respect to these risks.

The assessments were performed in the context of our audit of the consolidated financial statements, taken as a whole, and thus contribute to the expression of our opinion given above. We provide no opinion on the elements of these consolidated financial statements taken in isolation.

Revenue accounting on fixed-price services

Identified risk

As outlined in the section "Revenue recognition" of 3.5 of the notes to the consolidated financial statements, the group performs its "Services" activity primarily via fixed-price contracts, which are generally broken down into a succession of short-term tasks and work, with a commitment in terms of price, compliance and deadline (service desks in particular).

The services rendered are recorded according to the percentage-of-completion method. For multi-year fixed price contracts, including Service Centers, revenue is recognized in accordance with IFRS 15 "Revenue from Contracts with Customers". Transfer of control of the performed service is carried out as and when applicable.

For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each performance obligation and identified when the control of the services is transferred to the client. The revenue recognized depends on the estimated total price of the transaction and its allocation to the different elements of the contract.

A contract's percentage of completion is regularly monitored and estimated by the Operational Managers who compare the amount of costs incurred to the total estimated costs of the project. An incorrect estimate of the estimated costs and the progress of the contracts would be likely to distort the amounts of revenue and margin recognized.

We considered that measuring the progress on fixed-price contracts was a key aspect of the audit in that (i) these contracts represent a very significant portion of consolidated revenue, (ii) the estimated progress and costs on these contracts are based on operational assumptions, and (iii) their estimation has a direct impact on the level of revenue and margin recognized in the consolidated financial statements.

Our response

We reviewed the internal control system relating to contract accounting. We tested the effectiveness of the key controls implemented by the Operations Managers and the Management (including validation of the time spent and verification of billing in subsequent periods of all outstanding amounts related to the services provided).

For a sample of randomly selected contracts from the Contract Operational Tracking Application:

- We compared the data from the operational monitoring application with the accounting;
- We had a meeting with the Operational Managers to understand how they determined what remained to be completed and the stage of the contract on which the revenue and margin would be calculated;
- We reconciled the key data used with the contractual data and obtained, when required, the confirmation of the progress of the contract validated by the clients.

Finally, we assessed whether the section "Revenue recognition" of 3.5 of the notes to the consolidated financial statements provides appropriate information.

Specific verifications

In line with the professional standards applicable in France, we also carried out the specific verifications required by law of the information relating to the group given in the Board of Directors' management report.

We have no comments to make as to their fairness and consistency with the consolidated financial statements.

We certify that the consolidated extra-financial performance declaration provided for by 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 declaration has not been the subject of verification by us with regard to fairness or consistency with the consolidated financial statements and must be the subject of a report by an independent third party.

Other verifications or information required by law

Presentation format of the consolidated financial statements to be included in the annual financial report

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

Appointment of Statutory Auditors

We were appointed Statutory Auditors of **Infotel** by the General Meeting of May 26, 2010 for Constantin & Associés and by that of December 7, 2011 for Audit Consultants Associés.

As of December 31, 2020, Constantin & Associés was in the 11th year of its uninterrupted mission and Audit Consultants Associés in its 10th year.

Responsibilities of Management and Corporate Governance Officers in the Consolidated Financial Statements

It is the management's responsibility to prepare consolidated financial statements that present a true and fair view in line with IFRS requirements as adopted in the European Union, as well as to implement the internal control that it deems necessary for the preparation of consolidated financial statements and that there is no material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended to wind up the company or cease trading.

The board of directors exercising the missions of the specialized committee referred to in Article L.823-19 of the French Commercial Code is responsible for following the process of preparing financial information and monitoring the effectiveness of the internal control systems and risk management, as well as, where appropriate, an internal audit, with regard 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 Relating to 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 taken as a whole are free from material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit performed in accordance with auditing standards allows for systematic detection of material misstatements. Misstatements can arise from fraud or error and are considered material when there is a reasonable expectation that they could, individually or together, influence the economic decisions that users of the accounts make based on these accounts.

As specified in Article L. 823-10-1 of the French Commercial Code, our account certification mission is not to guarantee the viability or the quality of the management of your company.

Within the framework of an audit performed in accordance with the professional standards applicable in France, the statutory auditors exercise their professional judgment throughout this audit. In addition:

- The statutory auditors identify and assess the risks that the consolidated financial statements include material misstatements, whether they arise from fraud or error, define and implement the audit procedures given these risks, and gather the elements they deem sufficient and appropriate in order to form an opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of a material misstatement arising from error, as fraud can involve collusion, falsification, voluntary omissions, false declarations or overriding of internal controls;
- They obtain an understanding of the internal control relevant to the audit to define the suitable audit procedures in the circumstances, and not with a view to expressing an opinion on the efficiency of the internal controls;
- They assess the suitability of the accounting methods used and the reasonable nature of the accounting estimations made by the Executive Management, as well as the information concerning them provided in the consolidated financial statements;
- They evaluate the suitable nature of application by the Executive Management of the accounting policy concerning the ability to continue as a going concern and, according to the elements collected, the existence or otherwise of a significant uncertainty linked to events or circumstances likely to jeopardize the company's ability to continue as a going concern. This assessment is based on the information collected up to the date of his report, although it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If they conclude that a significant uncertainty exists, they draw the attention of the readers of the report to the information provided in the consolidated financial statements with respect to this uncertainty, or, if this information is not provided or not relevant, they formulate another certificate with qualifications or refuse to certify;
- They evaluate the presentation of the consolidated financial statements as a whole and assess whether the consolidated financial statements reflect the underlying operations and events so as to give a true and fair representation;
- Concerning the financial information of the persons or entities included in the scope of consolidation, they collect information that they deem 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 and the opinion expressed on these statements.

Report to the Board of Directors fulfilling the functions of the specialized committee referred to in Article L.823-19 of the French Commercial Code

We submit a report to the Board of Directors fulfilling the functions of the specialized committee referred to in Article L.823-19 of the French Commercial Code, which sets out in particular the scope of the audit work and work program implemented, as well as the conclusions resulting from our work. We also indicate, where appropriate, any significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Board of Directors fulfilling the functions of the specialized committee referred to in Article L.823-19 of the French Commercial Code, are the risks of material misstatements that we consider to have been the most important for the audit of the consolidated financial statements for the financial year. These are therefore the key points of the audit and it is our responsibility to describe them in this report.

We also provide the Board of Directors fulfilling the functions of the specialized committee referred to in Article L.823-19 of the French Commercial Code with the declaration provided for by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics of the profession of statutory auditor. Where appropriate, we discuss with the Board of Directors fulfilling the functions of the Audit Committee the risks to our independence and the safeguards applied.

Paris and Paris-La-Défense, April 28, 2021

The Statutory Auditors

Audit Consultants Associés

Constantin Associés

Sarkis Canli

Cécile Rémy

18.4.2. Statutory Auditors' report on the annual accounts

Fiscal year ended December 31, 2020

To the Stockholders' Meeting of **Infotel**,

Opinion

In execution of the mission entrusted to us by the General Meeting, we have audited the financial statements of **Infotel** for the year ended December 31, 2020, as attached to this report

We certify that, in accordance with French accounting rules and principles, the annual accounts give a true and fair view of the results which reflect the operations of the past financial year as well as the company's financial position and assets at the end of the financial year.

The opinion formulated above is consistent with the content of our report to the board of directors.

Basis of opinion

Audit terms of reference

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

The responsibilities incumbent upon us according to these standards are set out in the section "Responsibilities of the Statutory Auditors relating to the audit of the annual accounts" in this report.

Independence

We have performed our audit assignment in compliance with the independence rules that apply to us, for the period from January 1, 2020 to the issuance date of our report, and in particular we have not provided services prohibited by Article 5, paragraph 1, of the regulation (EU) No. 537/2014.

Justification of the assessments - Key points of the audit

The global crisis linked to the Covid-19 pandemic creates specific conditions for the preparation and auditing of the financial statements for this financial year.

This crisis and the exceptional measures taken in the context of the health emergency have many consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are implemented.

It is in this complex and evolving context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby draw your attention to the key points of the audit relating to risks of material misstatement that, in our professional judgment, were the most important for the audit of the annual accounts for the fiscal year, as well as the responses that we have provided with respect to these risks.

The assessments were performed in the context of our audit of the annual financial statements, taken as a whole, and thus contribute to the expression of our opinion given above. We provide no opinion on the elements of these annual accounts taken in isolation.

Valuation of equity securities

Identified risk

As explained in the note entitled "Equity securities" in the accounting principles of the appendix, equity investments are recorded in the balance sheet at their acquisition cost. A provision is recognized if this value is greater than the value in use. The value in use is assessed according to the medium-term development prospects of the investments and a discounting of the estimated operating cash flows of the companies concerned, adjusted by the amount of the net cash position at the closure.

Equity securities represent a significant amount of the balance sheet and the determination of their value in use requires the exercise of management's judgment in determining the parameters taken into account, particularly cash flow forecasts and discount rates used.

We therefore considered the assessment of the value used for equity securities to be a key aspect of our audit.

Our response

We have taken note of the work relating to the impairment tests implemented by the Company. Our work consisted of assessing the reasonableness of the estimate of the value in use of the equity securities, based on the information provided to us.

Our work consisted mainly of:

- taking note of the methods for calculating the value in use, and in particular the net cash flow forecasts;
- assessing and reviewing the reasonableness of the assumptions of sales, operating income, working capital requirements and investment expenditures used for these forecasts of net cash flow by conducting interviews with management, by comparing the forecasts retained for previous periods with the achievements, and an assessment of the assumptions used in the projections considered in the business plans approved by the General Management;
- analyzing the main assumptions with regard to available market data;
- reviewing the discount rates used by the company, with the support of our specialists.

Finally, we assessed whether the section "Equity securities" of note "1. Accounting principles" of the notes to the annual accounts provides appropriate information.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by the legal and regulatory texts

Information provided in the management report and the other documents on the financial position and annual accounts addressed to the shareholders

We have no issues to report as to the fair presentation and consistency with the financial statements of the information provided in the board of directors' management report and other documents on the financial position and annual accounts addressed to the shareholders.

We certify the fairness and consistency with the financial statements of the information relating to the payment periods mentioned in Article D.441-4 of the French Commercial Code.

We certify that the extra-financial performance declaration provided for by Article L.22-10-36 of the French Commercial Code is included 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 declaration has not been the subject of verification by us with regard to fairness or consistency with the annual accounts and must be the subject of a report by an independent third party

Corporate governance information

We certify that the Board of Directors' report on corporate governance includes all the information required by Articles L.22-10-9 and L.22-10-10 of the French Commercial Code.

With regard to the information provided in application of the provisions of Article L.22-10-9 of the French Commercial Code on compensation and benefits paid to corporate officers as well as on the commitments made in their favor, we verified their agreement with the financial statements or with the data used to draw up these accounts and, where applicable, with the information collected by your company from companies controlled by your company which are included in the consolidation scope. On the basis of this work, we certify the accuracy and sincerity of this information.

Other information

In accordance with the law, we have ensured that the various items of information relating to the identity of the holders of the capital or the voting rights and to reciprocal shareholdings were communicated to you in the management report.

Other verifications or information required by law

Presentation format of the annual accounts to be included in the annual financial report

In accordance with paragraph III of Article 222-3 of the AMF General Regulation, the management of your company informed us of its decision to postpone the application of the single electronic reporting format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 to fiscal years beginning on or after January

1, 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the annual accounts to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code.

Appointment of Statutory Auditors

We were appointed Statutory Auditors of **Infotel** by the General Meeting of May 25, 2010 for Constantin & Associés and by that of December 7, 2011 for Audit Consultants Associés.

As of December 31, 2019, Constantin & Associés was in the 11th year of its uninterrupted mission and Audit Consultants Associés in its 10th year.

Responsibilities of the management and Corporate Governance Officers with regard to the annual accounts

The management is responsible for preparing annual accounts that present a true and fair view in accordance with French accounting rules and principles and for setting up the internal control it deems necessary for the preparation of annual accounts that do not contain any significant anomalies, whether they are the result of fraud or errors.

When preparing the annual accounts, it is the responsibility of management to assess the ability of the company to continue as a going concern, to present in these accounts, where appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended to wind up the company or cease trading.

The board of directors exercising the missions of the specialized committee referred to in Article L.823-19 of the French Commercial Code is responsible for following the process of preparing financial information and monitoring the effectiveness of the internal control systems and risk management, as well as, where appropriate, an internal audit, with regard to the procedures relating to the preparation and processing of accounting and financial information.

The annual accounts have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual accounts

Audit objective and approach

It is our responsibility to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with professional standards will systematically detect any material misstatement. Misstatements can arise from fraud or error and are considered material when there is a reasonable expectation that they could, individually or together, influence the economic decisions that users of the accounts make based on these accounts.

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

Within the framework of an audit performed in accordance with the professional standards applicable in France, the statutory auditors exercise their professional judgment throughout this audit.

In addition:

- The statutory auditors identify and assess the risks that the annual accounts include material misstatements, whether they arise from fraud or error, define and implement the audit procedures given these risks, and gather the elements they deem sufficient and appropriate in order to form an opinion.
The risk of non-detection of a material misstatement arising from fraud is higher than that of a material misstatement arising from error, as fraud can involve collusion, falsification, voluntary omissions, false declarations or overriding of internal controls;
- They obtain an understanding of the internal control relevant to the audit to define the suitable audit procedures in the circumstances, and not with a view to expressing an opinion on the efficiency of the internal controls;
They assess the suitability of the accounting methods used and the reasonable nature of the accounting estimations made by the Executive Management, as well as the information concerning them provided in the annual accounts;
- They evaluate the suitable nature of application by the Executive Management of the accounting policy concerning the ability to continue as a going concern and, according to the elements collected, the existence or otherwise of a significant uncertainty linked to events or circumstances likely to jeopardize the company's ability to continue as a going concern. This assessment is based on the information collected up to the date of his report, although it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If they conclude that a significant uncertainty exists, they draw the attention of the readers of the report to the information provided in the annual accounts with respect to this

uncertainty, or, if this information is not provided or not relevant, they formulate another certificate with qualifications or refuse to certify;

- They evaluate the presentation of the annual accounts as a whole and assess whether the annual accounts reflect the underlying operations and events so as to give a true and fair representation.

Report to the Board of Directors

We submit a report to the Board of Directors, which sets out in particular the scope of the audit work and work program implemented, as well as the conclusions resulting from our work. We also indicate, where appropriate, any significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Board of Directors are the risks of material misstatements that we consider to have been the most important for the audit of the annual accounts for the financial year. These are therefore the key points of the audit and it is our responsibility to describe them in this report.

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

Paris and Paris-La-Défense, April 28, 2021

The Statutory Auditors

Audit Consultants Associés

Constantin Associés

Sarkis Canli

Cécile Rémy

18.4.3. Statutory Auditors' special report on regulated agreements

Fiscal year ended December 31, 2020

To the Stockholders' Meeting of **Infotel**,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements.

It is our responsibility to communicate to you, on the basis of the information given to us, the characteristics, the essential terms and the reasons justifying the interest of the Company in the agreements of which we have been informed or that we have discovered during our mission, without having to pronounce on their usefulness and their merits or to seek the existence of other agreements. It is your responsibility, pursuant to article R.225-31 of the French Commercial Code, to assess the benefits arising from the conclusion of these agreements and commitments with a view to their approval.

Furthermore, it is our responsibility, if applicable, to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the execution, during the past financial year, of the agreements and commitments already approved by the general meeting.

We performed the due diligence that we considered necessary in accordance with the professional standards of the National Company of Auditors for this mission.

Agreements submitted to the General Meeting for approval

Agreements authorized and entered into during the fiscal year

We hereby inform you that we have not been advised of the existence of any authorized agreements entered into during the fiscal year and subject to approval by the General Meeting in accordance with the provisions of Article L. 225-38 of French Commercial Code.

Agreements already approved by the General Meeting

We hereby inform you that we have not been advised of any agreements already approved by the General Meeting that continued to be applied in the last fiscal year.

Paris and Paris-La-Défense, April 28, 2021

The Statutory Auditors

Audit Consultants Associés

Constantin Associés

Sarkis Canli

Cécile Rémy

18.5. DATE OF LAST FINANCIAL DISCLOSURE

The last year for which financial information was verified is the fiscal year ending December 31, 2020.

18.6. INTERMEDIATE FINANCIAL INFORMATION

The Company publishes its financial information each quarter. The last disclosure was for the results for the 2020 financial year, published on March 10, 2021. This information was assessed and audited by the statutory auditors.

18.7. DIVIDEND POLICY

It is the Company's desire to pay dividends, although it has not implemented a strict policy for the distribution of profits between dividends and financing its activities.

Since its listing on the stock market, **Infotel** has always issued a dividend.

In previous years, these dividends amounted to:

- 2017: €1.15 dividend per share;
- 2018: €1.60 dividend per share;
- 2019: €1.05 dividend per share.

The Board of Directors' meeting on March 10, 2021 proposed the payment of a dividend of €1.60 per share at the Annual Stockholders' Meeting on May 19, 2021.

Dividends not claimed within 5 years of the date of payment are paid over to the State (Article 2277 of the French Civil Code).

18.8. LEGAL PROCEEDINGS AND ARBITRATION

To date, there are no governmental or legal proceedings or arbitration, including any proceedings that the Company is aware of, that are pending or are threatened, which may have or have had over the last 12 months a significant impact on the financial position or profitability of the Company.

18.9. MAJOR CHANGES IN THE FINANCIAL OR COMMERCIAL POSITION

There have been no major changes in the Group's financial or commercial position since the end of the last fiscal year. The Covid-19 pandemic has a limited impact on **Infotel's** accounts thanks to sound management, listening to and close monitoring of its customers.

19. SUPPLEMENTARY INFORMATION

19.1. CAPITAL STOCK

At December 31, 2020, the capital stock was €2,693,780.80 divided into 6,734,452 shares with a par value of €0.40.

19.1.1. Changes in capital stock since the incorporation of the Company

Date	Transaction nature	Increase in capital	Contribution/issue premium	Total number of shares	Par value	Capital amount
December 31, 1979	Incorporation	FF150,000	0	1,500	FF100	FF150,000
June 3, 1982	Capitalization of reserves	FF450,000	0	1,500	FF400	FF600,000
June 7, 1983	Capitalization of reserves	FF1,800,000	0	1,500	FF1,600	FF2,400,000
June 17, 1987	Capitalization of reserves	FF900,000	0	1,500	FF2,200	FF3,300,000
June 17, 1987	Par value split by 22		0	33,000	FF100	FF3,300,000
May 30, 1988	Capitalization of reserves	FF1,200,000	0	45,000	FF100	FF4,500,000
December 31, 1992	Contributions in cash (1)	FF14,800	FF525	45,148	FF100	FF4,514,800
December 31, 1995	Contributions in cash (1)	FF33,200	FF525	45,480	FF100	FF4,548,000
July 8, 1998	Capitalization of reserves	FF4,548,000	0	90,960	FF100	FF9,096,000
July 8, 1998	Par value split by 10		0	909,600	FF10	FF9,096,000
January 21, 1999	Contributions in cash	FF2,550,000	FF165.99	1,164,600	FF10	FF11,646,000
May 31, 2001	Capitalization of reserves	FF3,632,550	0	1,164,600	FF13.11	FF15,278,550
December 31, 2003	Contributions in cash (1)	€4,000	€7.91	1,166,600	€2	€2,233,200
December 31, 2004	Contributions in cash (1)	€17,000	€7.91	1,175,100	€2	€2,350,200
December 31, 2005	Contributions in cash (1)	€22,160	€24.58	1,186,180	€2	€2,372,360
December 31, 2006	Contributions in cash (1)	€7,876	€28.46	1,204,140	€2	€2,408,280
December 31, 2007	Contributions in cash (1)	€30,040	€24.75	1,219,160	€2	€2,438,320
May 23, 2008	Capitalization of reserves (2)	€70,480	0	1,254,400	€2	€2,508,800
December 31, 2008	Contributions in cash (1)	€33,760	€28.34	1,271,280	€2	€2,542,560
October 12, 2009	Capitalization of reserves (2)	€106,770	0	1,324,665	€2	€2,649,330
October 12, 2009	Contributions in cash (1)	€252	€28	1,324,791	€2	€2,649,582
December 31, 2009	Contributions in cash (1)	€200	€33.50	1,324,891	€2	€2,649,782
December 31, 2010	Contributions in cash (1)	€9,400	€21.94	1,329,591	€2	€2,659,182
December 31, 2011	Contributions in cash (1)	€2,200	€35.91	1,330,691	€2	€2,661,382
December 31, 2012	Contributions in cash (1)	€1,400	€37.30	1,331,391	€2	€2,662,782
May 21, 2014	Shares split by 5		0	6,656,955	€0.4	€2,662,782
January 23, 2020	Capitalization of reserves (2)	€30,998.80	0	6,734,452	€0.4	€2,693,780.80

(1) employee subscription as part of a stock option plan.

(2) allocation of free stock.

The stock and assets of the Company were not subject to any collateralization.

19.1.2. Granted, Outstanding Stock

AGM	Delegation type	Amount granted	Date	Amount exercised
May 29, 2019	Stock options and securities issued	€1,300,000	July 29, 2021	0
May 20, 2020	Stock repurchase	10% of the capital of the Company calculated on the purchase decision date, less any shares resold as part of this authorization	November 28, 2020	0
May 31, 2018	Free shares awarded	5% of the share capital at the date when the Board of Directors decides to allocate them	July 31, 2021	3.42% of the company's share capital

At December 31, 2020, there was no outstanding diluted stock that may represent a potential dilution of the capital stock at that date.

19.1.3. Non-Equity Stock

There are no non-equity stocks.

19.1.4. Treasury Stock

Pursuant to Article L.22-10-62 of the French Commercial Code, the Annual General Stockholders' Meeting may authorize the Company to purchase treasury stock on the market, to a maximum amount of 10% of the capital stock, in order to stimulate the market or the liquidity of the share, through an investment partner, perform external growth operations, cancel shares acquired, allocate them to holders of securities providing access to the capital or allocate them to employees or corporate officers as part of a stock options plan, free share allocations or a company savings plan.

All authorizations by the General Stockholders' Meeting must establish the conditions for the operation and notably, the maximum purchase price and the timeframe in which the acquisition may be made, not exceeding eighteen months.

In this respect, the Annual General Stockholders' Meeting called to approve the financial statements for the years 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 agreed to such authorizations.

The General Stockholders' Meeting of May 20, 2020 authorized the Board of Directors to acquire on the stock market a maximum number of shares corresponding to 10% of the share capital of the company calculated on the day of the purchase decision, less any shares resold during the period of authorization, in accordance with the provisions of Article L.22-10-62 of the French Commercial Code and set the maximum purchase price at €110.

This authorization is valid for a period of eighteen months. It cancels and replaces the authorization given by the General Meeting of May 29, 2019.

No purchase of treasury shares was carried out under the repurchase program between January 1 and December 31, 2019. As of December 31, 2020, the Company held 2,479 treasury shares repurchased under the liquidity contract. As of December 31, 2020, the Company did not hold any treasury shares purchased under previous buyback programs.

The transactions carried out under the liquidity contract entered into with Gilbert Dupont between January 1, 2020 and December 31, 2020 are as follows:

	Quantity	Weighted average cost	Gross amount
Purchase	62,290	€36.6146	€2,280,725
Sale	62,126	€36.5611	€2,271,395

19.1.5. Complex Securities

There are no convertible or exchangeable securities or securities with warrants.

19.1.6. Acquisition and/or Bond Rights in respect of unpaid capital

There are no acquisition and/or bond rights attached to subscribed capital that is not paid up.

19.1.7. Options or Conditional Agreements for Group Members

There are no capital shares belonging to a Group member subject to an option or a conditional or unconditional agreement.

19.1.8. History of Capital Stock

See table above in section 19.1.1 "Changes in capital stock since the incorporation of the Company" on page 151.

19.2. MEMORANDUM AND ARTICLES OF INCORPORATION

The company was registered in the Trade and Companies Register on December 31, 1979.

19.2.1. Corporate Purpose

Article 3 of the Articles of Incorporation defines the corporate purpose as:

"The Company's purpose, both in France and abroad, and in the following domains, is:

- consulting and provision of IT and telematics services;
- analysis, programming, execution and sale of software;
- advisory consulting, expertise and auditing regarding IT hardware purchase, the development of application programs or systems, and the organization of IT departments;
- support in the implementation of teletransmission networks;
- staff training;
- hire, sale of electronic equipment or for its partial use;
- and in general, all industrial, commercial, tangible and intangible property, and financial operations associated directly or indirectly in their entirety or in part with any of the purposes specified above and similar or related purposes."

19.2.2. Capital stock and shares

The articles of incorporation updated on January 27, 2021 show capital stock of €2,728,510 divided into 6,821,275 shares with a par value of €0.40.

The shares are all of the same class. There are shares with double voting rights. These rights are granted to shares for which there is evidence of registration in the name of the same shareholder for at least two years.

There is no statutory or extra-statutory provision of the company that delays, defers or prevents a change in control.

19.2.3. Members of the Administration and Management Bodies

Articles 16, 18 and 21 of the Articles of Incorporation respectively define the composition of the Board of Directors, its organization and its management and Executive Management as:

Article 16 - BOARD OF DIRECTORS

1 - Unless otherwise stipulated by legal exemptions, the Company shall be managed by a Board of Directors with three members at least, and eighteen members at most.

2 - During the course of the Company's existence, the directors shall be appointed or reappointed by ordinary General Stockholders' Meeting. However, in the event of merger, directors may be appointed during the extraordinary General Stockholders' Meeting on the operation.

3 - The term of office for directors shall be SIX years.

This term shall end following the ordinary General Stockholders' Meeting called to approve the financial statements for the past financial year and held in the year during which the term of office of the director expires.

The directors may be reappointed.

Their appointment may be revoked at any stage by ordinary General Stockholders' Meeting.

4 - Individuals over 90 years of age may not be appointed as director if their nomination means that more than a third of the members of the Board are over this age. If this proportion is exceeded, the oldest director is deemed to have withdrawn from office following the ordinary General Stockholders' Meeting called to approve the financial statements for the financial year in which this proportion is exceeded.

5 - The directors may be individuals or legal entities. Legal entities, on their nomination, must designate a permanent representative who is subject to the same conditions and obligations and who incurs the same liabilities as if they were a director themselves, without prejudice to the joint and several liability of the legal entity they represent.

When the legal entity decides to terminate the mandate of its permanent representative, it must notify the Company immediately, by registered mail, of its decision and the identity of the new permanent representative. The above is also applicable in the event of death or resignation of the permanent representative.

6 - In the event of vacancy due to death or resignation of one or more directors, the Board of Directors may, between two Annual General Stockholders' Meetings, proceed to appoint a director or directors temporarily in order to complete the positions of the Board. These appointments must take place within three months of the vacancy, where the number of directors falls below the minimum set by the articles of incorporation, without however falling below the legal minimum.

Temporary appointments made by the Board are subject to ratification at the next ordinary General Stockholders' Meeting. In the absence of such ratification, the deliberations taken and the actions accomplished remain, however, valid.

When the number of directors falls below the legal minimum, the directors in office must immediately convene the ordinary General Stockholders' Meeting in order to complete the Board.

The director appointed to replace another director may only remain in office for the duration remaining to cover the term of their predecessor.

7 - Individuals may not simultaneously hold a position on more than five Board of Directors or Supervisory Boards of public limited companies with their corporate address in mainland France, except in those cases stipulated by law.

8 - A Company employee may only be appointed as director if their contract corresponds to an actual job position. They shall not lose the benefits of this employment contract. The number of directors who have an employment contract with the Company may not exceed a third of the directors in office.

9 - Director representing employees

Provided that the company does not benefit from the exemption provided for in paragraph 1 sub-paragraph 2 of Article L.225-27-1, I of the French Commercial Code, an employee representative is appointed to the Board of Directors.

When the number of members of the Board of Directors appointed by the ordinary General Stockholders' Meeting is less than or equal to twelve, a director representing the employees is appointed. If the number of members of the Board of Directors is greater than twelve, two directors representing the employees are appointed.

The director representing the employees is appointed, in accordance with Article L.225-27-1 of the French Commercial Code, by an election among the employees of the company and its subsidiaries, whether direct or indirect, whose registered office is located on French territory under the conditions set out in Article L. 225-28.

The term of office of a director representing the employees is three years and takes effect on the date of their appointment. This term shall end following the ordinary General Stockholders' Meeting having approved the financial statements for the past financial year and held in the year during which the term of office of the said director expires. It is renewable.

In the event of a vacancy by death, resignation or dismissal, termination of the employment contract or for any other reason whatsoever, of the seat of a director elected by the employees, their substitute shall take immediate office. In the absence of a substitute capable of fulfilling the duties, a new election shall take place within three months.

In the event that the conditions of application provided for in Article L.225-27-1 of the French Commercial Code are not maintained, at the end of a fiscal year, the term of office of the director representing the employees shall terminate following the General Stockholders' Meeting having approved the financial statements of the said fiscal year.

Article 18 - ORGANIZATION AND MANAGEMENT OF THE BOARD OF DIRECTORS

1 – The Board of Directors shall elect a chairman from among its individual members and set the chairman's remuneration. The Board shall set the term of office of the chairman, which may not exceed that of his term as director.

2 - The age limit for the chairman of the Board of Directors is 90 years. If the chairman in office exceeds that age, he is deemed to have withdrawn from office.

3 – The chairman represents the Board of Directors. He shall organize and manage the work of the Board, reporting back at the General Stockholders' Meeting. He shall be responsible for the proper operation of the Company's bodies and for ensuring, in particular, that the directors are able to fulfil their tasks.

4 – If the chairman is absent or unable to attend, the Board of Directors shall nominate the chairman of the meeting.

5. The Board of Directors shall appoint a secretary who may be chosen from among or outside its members. The secretary shall be replaced by simple decision of the Board.

Article 21- EXECUTIVE MANAGEMENT

Forms of exercise

Pursuant to Article L.225-51-1 of the French Commercial Code, Executive Management of the company shall be assumed either by the chairman of the Board of Directors or another individual appointed by the Board of Directors who takes on the role of Chief Executive Officer.

The choice between these two forms of exercise of Executive Management is made by the Board of Directors. The decision of the Board regarding the form of exercise shall be taken by majority ruling of the directors present or represented. The Board of Directors' decision shall be communicated to stockholders and third parties according to the terms and conditions stipulated by applicable regulations.

The option chosen by the Board of Directors shall remain valid while the Board of Directors does not make any changes in the form of exercise.

Any change in the form of exercise of Executive Management shall not require a change in the Articles of Incorporation.

Executive Management

According to the form of exercise chosen by the Board of Directors, the Chairman or Chief Executive Officer shall be responsible for the executive management of the Company.

The Chief Executive Officer is appointed by the Board of Directors which sets his term of office, remuneration and, where appropriate, the limitations of his powers.

To carry out his duties, the Chief Executive Officer must be under 90 years of age. If this age limit is reached during his term of office, the Chief Executive Officer shall be deemed to have withdrawn from office and a new Chief Executive Officer shall be appointed.

The position of Chief Executive Officer can be revoked at any time by the Board of Directors. The dismissal of a non-chairman Chief Executive Officer may result in damages if it is deemed to be without reasonable grounds.

Powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company. He exercises these powers within the corporate purpose, and subject to the powers expressly allocated by law to General Stockholders' Meetings and to the Board of Directors.

He shall represent the Company in all its dealings with third parties. The Company is also bound by the actions of the Chief Executive Officer that are not relevant to the company's purpose, unless the Company can prove that the third party knew that the action surpassed this purpose or it should have been aware of the fact given the circumstances, although it should be clarified that simply publishing the Articles of Incorporation does not constitute as proof.

Executive Officers

Based on a proposal of the Chief Executive Officer, where this function is assumed by the chairman of the Board of Directors or another person, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer with the title of Executive Officers.

The maximum number of Executive Officers is five.

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and term of these powers granted to Executive Officers and their remuneration.

As regards third parties, the Executive Officer or Officers hold the same powers as the Chief Executive Officer.

In the event that the Chief Executive Officer ceases or is unable to perform his duties, the Executive Officers retain, unless otherwise decided by the Board of Directors, their functions and powers until a new Chief Executive Officer is appointed.

The positions of Executive Officers may be revoked at any time, on the proposal of the Chief Executive Officer. The dismissal of an Executive Officer may result in damages if it is deemed to be without reasonable grounds.

19.2.4. Rights, Privileges and Restrictions Associated with Stock

Each share shall confer the right to a share of the profits and corporate assets proportional to the amount of the capital that it represents. Stockholders are only liable for losses up to the amount of their capital contributions. The rights and obligations associated with the stock shall be transferred to any owner thereof. The ownership of stock automatically entails full acceptance of the Articles of Incorporation and the resolutions of the General Stockholders' Meetings.

The heirs, creditors, beneficiaries or other representatives of a stockholder may not demand for the Company's assets or valuables to be sealed or call for the division or sale by auction thereof. The stockholders may not interfere in any manner whatsoever in the actions of its administration. To exercise their rights, the stockholders shall be bound by the statements of corporate assets and liabilities and the resolutions of the General Stockholders' Meetings.

Whenever a certain number of shares is required for the exercising of any particular right, for an exchange, pooling or allocation of stock, or for a capital increase or decrease, merger or any other operation, the holders of individual shares or a number under the limit required to exercise that right shall personally see to the pooling and, where applicable, purchasing or selling the stock necessary.

Unless forbidden by law, during the Company's existence or its liquidation, all stock shall be jointly beneficiary and liable for tax exemptions and charges as well as any taxation likely to be borne by the Company, before any distribution or reimbursement, in such a way that, taking into account par value and dividend date, the stock of the same category receive the same net sum.

Double voting rights

However, there are also shares with double voting rights. At the General Stockholders' Meeting of July 8, 1998, it was decided to confer double voting rights on all fully paid-up shares, which are justified as having been registered for two years in the name of the same stockholder, as well as to those issued shares allocated to a stockholder in the event of capital increase by capitalization of reserves, profits or issue premiums, where his or her previous shares already benefited from double voting right. In this decision, the holding period allows the allocation of a double voting right with retroactive status from the General Stockholders' Meeting of July 8, 1998. This double voting right ceases automatically with any share converted to bearer shares or whose ownership is transferred. The double voting right can be abolished by resolution of the extraordinary General Stockholders' Meeting and following the ratification of the special Stockholders' Meeting for owners of the shares in this category.

As of December 31, 2020, the number of shares with double voting rights was 2,899,227.

19.2.5. Change in Stockholder Rights

Any change in possible stockholder rights is associated with the acquisition of double voting rights (see paragraph 19.2.4 above).

19.2.6. Notification of Ordinary and Extraordinary General Stockholders' Meetings

The convening, holding and voting in General Stockholders' Meetings shall be performed in accordance with law. The General Stockholders' Meeting includes all stockholders of at least one share, who exercise their voting right according to the terms and conditions stipulated by the Articles of Incorporation. The right to attend or be represented at the General Stockholders' Meeting depends on the registration of the stockholder in the Company's register two working days before the date of the meeting.

The General Stockholders' Meeting is presided over by the chairman of the Board of Directors or by a member of the Board of Directors appointed by the Board for this purpose, or alternatively, by a person appointed by the General Stockholders' Meeting. The duties of the scrutineers shall be performed by two members of the General Stockholders' Meeting with the highest number of votes who accept the duties. The officers appoint a secretary who can be chosen from outside the stockholders.

The resolutions of the General Stockholders' Meeting are recorded in the minutes in accordance with law. Ordinary and extraordinary General Stockholders' Meetings, held with the quorum and majority legally applicable to each, shall exercise the powers vested in them by law.

In the event of a public offering of securities, a notice of meeting containing the indications stipulated by Article R 225-73 of the French Commercial Code is published in BALO, the French Official Legal Notices Bulletin, at least 30 days before the date of the General Stockholders' Meeting.

It should be noted that the concept of an "appel public à l'épargne" (public offering) was replaced by that of an "offre au public de titres financiers" (public offering of securities) since the ruling of January 22, 2009 relating to the "appel public à l'épargne", and which included diverse provisions for financial matters.

19.2.7. Changes in the Control

The Articles of Incorporation do not contain any provision that may delay, defer or prevent a change in the Company's control.

19.2.8. Stockholding Thresholds

The Company's Articles of Incorporation do not anticipate any additional declaration of shareholding thresholds other than those stipulated by applicable legal provisions. . It should be noted that the threshold of 30% was added to the legal thresholds by French Law no. 2010-1249 of October 22, 2010, on the banking and finance regulation. As a result, pursuant to the provision of Article L 233-7 of the French Commercial Code, all stockholders who come to hold directly or indirectly a number of shares that represent a shareholding percentage of at least equal to the following legal thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90%, 95% of the capital stock, must disclose to the Company the number of shares held within fifteen days from exceeding one of the threshold limits.

In the event of failure to comply with this obligation, the shares exceeding the portion that should be disclosed shall be disqualified from voting according to the terms and limits established by law.

Any stockholder whose holding falls below one of these thresholds is also obliged to disclose this fact to the Company within the same fifteen-day period.

19.2.9. Changes in the Capital Stock

The Articles of Incorporation do not provide for any more stringent conditions than those provided for by law in the event of changes in capital stock, whether it is an increase or a reduction.

Therefore the conditions stipulated by law must be respected.

20. SIGNIFICANT CONTRACTS

Significant contracts were concluded in the normal course of business (Article 22 of Regulation No. 809/2004).

21. AVAILABLE DOCUMENTS

Legal documents on the Company can be viewed at its corporate headquarters:
Le Valmy
4/16 avenue Léon Gaumont
75020 Paris

Corporate information is available on the company's website at: www.infotel.com.
More specifically, you will find information on:

- Financial reporting calendar;
- Press releases;
- Annual reports;
- Analysis notes;
- Stockholders' questions;
- Articles of Incorporation updated on January 27, 2021.

21.1. FINANCIAL REPORTING CALENDAR

For information purposes, the financial reporting calendar for 2021 is as follows:

- | | |
|--------------------------------|----------------------------------------------------|
| • January 27, 2021 | Q4 2020 revenue |
| • March 10, 2021 | Audited 2020 full-year results |
| • March 11, 2021 (morning) | Analysts' meeting |
| • April 29, 2021 | Publication of the Universal Registration Document |
| • May 19, 2021 (afternoon) | General Stockholders' Meeting |
| • May 19, 2021 (evening) | Q1 2021 revenue |
| • July 28, 2021 | Q2 2021 revenue |
| • September 22, 2021 | Audited H1 2021 results + H1 financial report |
| • September 23, 2021 (morning) | Analysts' meeting |
| • October 21, 2021 | Q3 2021 revenue |
| • January 26, 2022 | Q4 2021 revenue |

22. CSR REPORT - CROSS-REFERENCE

15.5 Report on Corporate Social and Environmental Responsibility (CSR) – Corporate Social Information	80
3.8 Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information	20
3.9 Report (CSR) on Corporate Commitment to Sustainable Development.....	23
14.5 Board of Director's report on corporate governance	59
15.6 Methodological Note on Corporate, Environmental and Social Information	83
15.8 The independent Third-Party's Report on Extra-Financial Performance Declaration	92