2019 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

contents

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INCLUDING THE ANNUAL FINANCIAL REPORT

An international group specialised in engineering and innovation consultancy, operating in **15 countries** and employing some **6,000 people**.

For over **50 years**, Assystem has been a partner of choice for the world's largest industrial corporations.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French-language version of this Universal Registration Document was filed with the Autorité des Marchés Financiers on 3 April 2020 in its capacity as the competent authority as defined in Regulation (EU) 2017/1129, without prior approval as provided for in Article 9 of said Regulation.

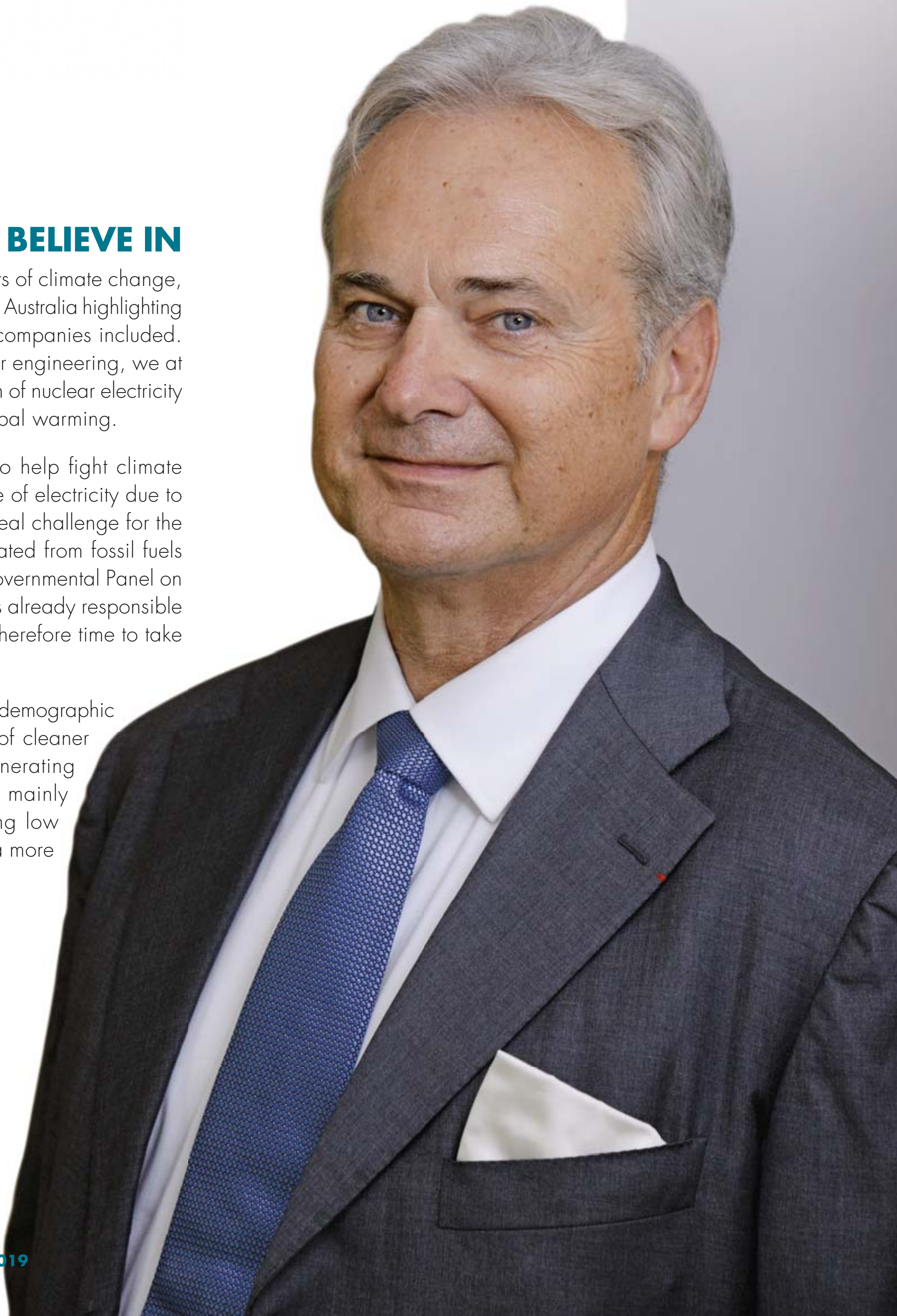
This Universal Registration Document may be used in support of a public offering of financial securities or the admission of securities to trading on a regulated market if accompanied by a securities note and, where applicable, a summary and all amendments to the Universal Registration Document filed since it was first approved. The prospectus formed by these documents must be approved by the AMF in accordance with Regulation (EU) 2017/1129.

The English-language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation

A NEW PATH TO GROWTH

MESSAGE FROM THE CHAIRMAN & CEO

DOMINIQUE LOUIS



FIGHTING FOR WHAT WE BELIEVE IN

2019 was a year that clearly showed the effects of climate change, with extreme events such as the devastating fires in Australia highlighting the urgent need for everyone to take action – companies included. With more than 50 years' experience in nuclear engineering, we at Assystem are firmly convinced that the production of nuclear electricity has an essential role to play in combatting global warming.

As the world is looking to energy transition to help fight climate change, the constant rise in production and use of electricity due to both economic and demographic growth is a real challenge for the planet. Today, two-thirds of electricity is generated from fossil fuels (coal, oil and gas) and, according to the Intergovernmental Panel on Climate Change (IPCC), electricity production is already responsible for over 40% of global carbon emissions. It is therefore time to take a stand and think energy alternatively.

In order to reconcile ecology with economic and demographic growth, we need to produce large quantities of cleaner energy in the most cost-effective manner. Generating electricity from carbon-free energy sources – mainly hydro, nuclear, solar and wind power – using low carbon processes is a necessity for deploying a more sustainable energy mix.

At Assystem we are fighting for what we believe in – that nuclear, combined with other carbon-free energy sources, is vital for energy transition and combatting climate change. We are working day in, day out, across the globe to develop this energy, helping at all times to make the nuclear programmes we are involved in highly efficient, cost-effective, and absolutely safe. Growth for our nuclear activities was particularly robust in 2019, with strong international development.

Our internationalisation is profoundly transforming the Group. Although keeping our corporate values and DNA intact while becoming more geographically and culturally diverse requires constant adaptation, it also makes us more resilient and higher performing, and increases the breadth and depth of the expertise we can offer our growing number of clients.

But nuclear activities are not Assystem's only growth vector. We are continuing to develop our engineering services for designers, builders and operators of other complex infrastructure that are subject to significant regulatory and safety constraints – an area where our experience in the nuclear industry gives us a considerable advantage. In particular, in 2019 we made major commercial inroads in the rail transport sector, where our technical and project management capacities are an excellent fit with the capital spending cycle currently taking place in France for upgrading and extending public transport networks.

At the same time, digital technology is transforming both the needs of our clients and the engineering profession. Digitalisation of the engineering industry is an opportunity for the sectors in which we operate, resulting in better management of costs and project lead times. Going digital is crucial, therefore, if an engineering firm wants to propose a competitive service offering. At Assystem, we have built up strong expertise in this domain over the past few years. Having made a head start, we are determined to keep our lead, and have set up a specific digital business unit so all of our activities can make increasing use of the Group's digital know-how.

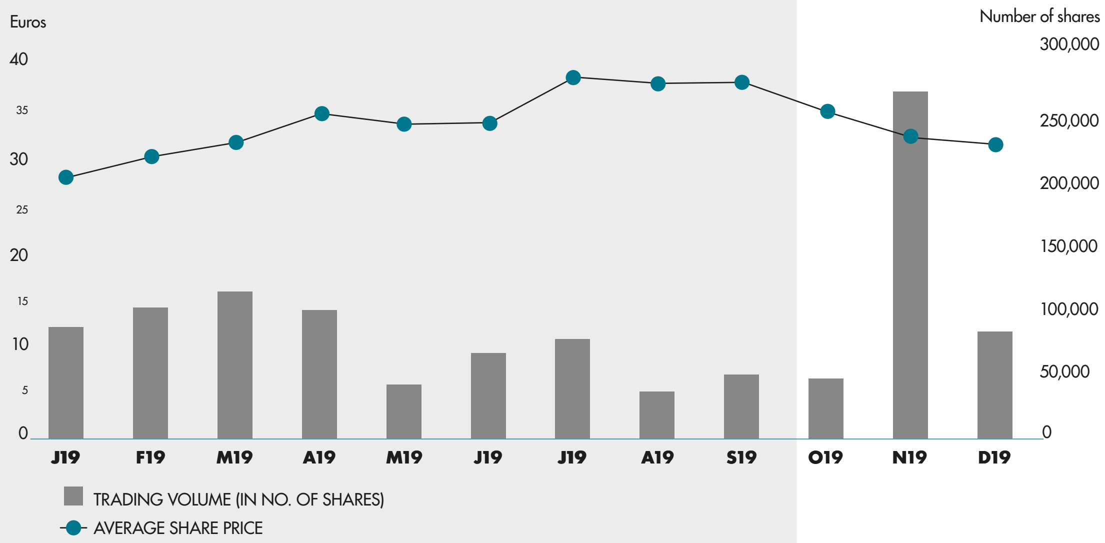
Our activism goes further than the choice of the sectors we operate in. It is also reflected on a day-to-day basis in how we recruit new employees and how we help our people to develop their technical and managerial skills. We deeply believe that companies have a duty to help society evolve and that the underlying business model has to be as humane, responsible and inclusive as possible. Without that, no company will be able to futureproof its business.

In 2020, our strategy will continue to focus on four key drivers: further business wins for nuclear activities; ongoing development in other sectors that design, build, upgrade and operate complex infrastructure, where we can showcase our technical and project management skills; continued internationalisation and digitalisation; and always acting as a committed, responsible and inclusive company.

Dominique Louis

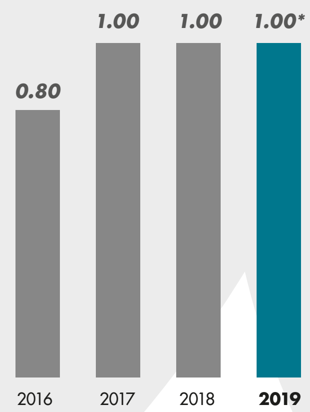
2019
KEY FIGURES

AVERAGE PRICE AND MONTHLY TRADING VOLUMES OF THE ASSYSTEM SHARE IN 2019



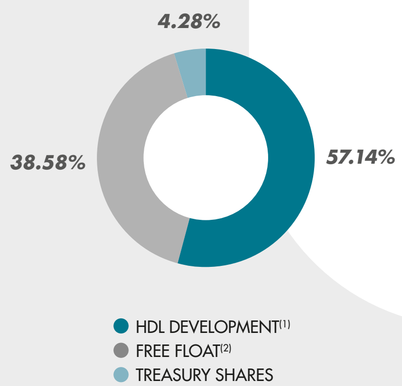
NYSE Euronext Compartment B
ISIN: FR0000074148
Share included in the CAC All-Tradable index

DIVIDEND PER SHARE *(IN €)*



* *Dividend that will be recommended at the Annual General Meeting to be held on 26 June 2020*

OWNERSHIP STRUCTURE AT 31 DECEMBER 2019



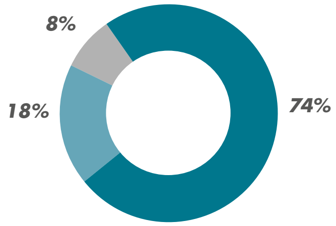
(1) HDL Development is a holding company controlled by Dominique Louis (Assystem's Chairman & CEO), notably through HDL, which itself holds 0.35% of Assystem's capital.

(2) Including 0.35% held by HDL.

BREAKDOWN OF REVENUE BY DIVISION
(IN MILLIONS OF EUROS)

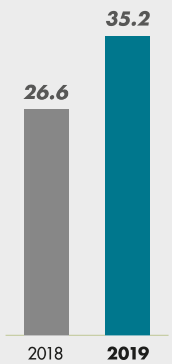
- ENERGY & INFRASTRUCTURE – NUCLEAR
- ENERGY & INFRASTRUCTURE – ET&I
- STAFFING
- OTHER

BREAKDOWN OF REVENUE BY BUSINESS SECTOR



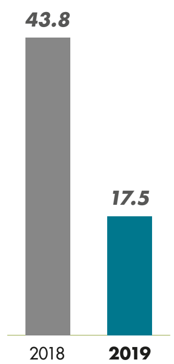
- ENERGY (including Nuclear: 61%)
- LIFE SCIENCES
- OTHER (including Transport: 7%, and Industry & Building Engineering: 7%)

EBITA*
(IN MILLIONS OF EUROS)



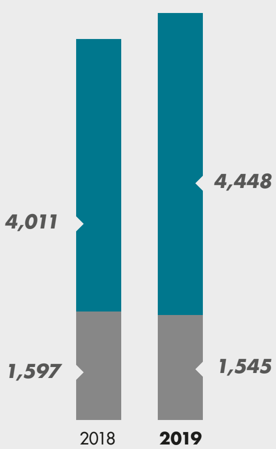
* *See definition (1) in Chapter 5, Section 5.1.1 of this Universal Registration Document*

FREE CASH FLOW*
(IN MILLIONS OF EUROS)



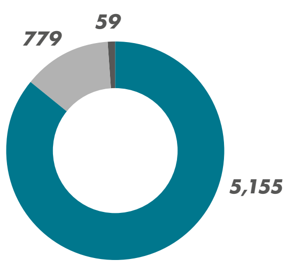
* *See definition (2) in Chapter 5, Section 5.1.3.3 of this Universal Registration Document.*

EMPLOYEE NUMBERS BY GEOGRAPHIC REGION



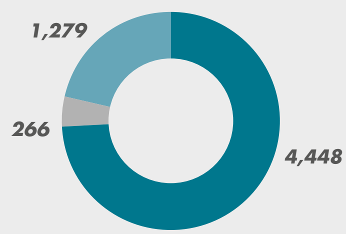
- FRANCE
- OUTSIDE FRANCE

EMPLOYEE NUMBERS BY DIVISION



- ENERGY & INFRASTRUCTURE
- STAFFING
- OTHER

EMPLOYEE NUMBERS BY GEOGRAPHIC REGION



- FRANCE
- UK/BELGIUM/SWITZERLAND
- AFRICA/MIDDLE EAST/ASIA

OUR MISSION: ENABLER OF ENERGY AND DIGITAL REVOLUTIONS

We firmly believe that sustainable growth requires an energy mix focused on carbon-free electricity.

OUR RESOURCES

HUMAN CAPITAL
5,993 employees

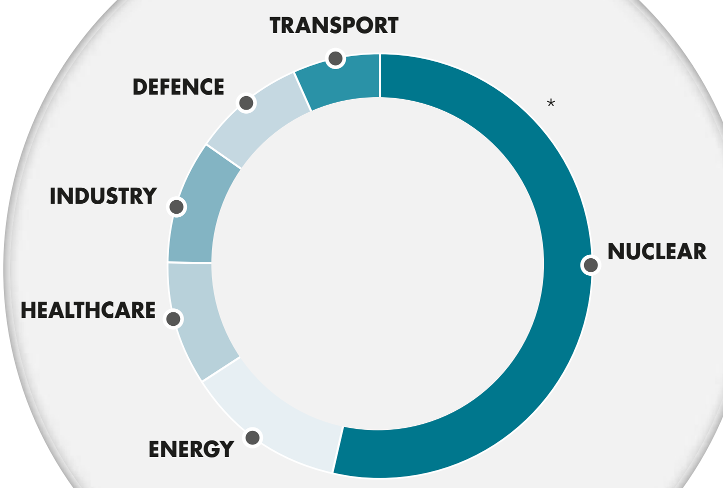
INTELLECTUAL CAPITAL
€16m in R&D expenditure
20 partnerships (start-ups/joint ventures/centres of excellence)

FINANCIAL CAPITAL
€16m worth of investments
3 acquisitions
€(51,6)m net debt

OPERATIONAL CAPITAL
10 key accounts generating c. **58%** of revenue
Present in **15 countries**

ENERGY TRANSITION | **DIGITALISATION** | **LEVERAGING HUMAN CAPITAL**

PROJECT MANAGEMENT AND ENGINEERING
- Consulting
- Site and permit studies
- Project management
- Research and analysis
- Systems engineering
- Industrial control systems



COMPLIANCE, SAFETY AND SECURITY
- Compliance
- Safety
- Security

DIGITALISATION & DATA
- Digital engineering
- Project control solutions
- Digital field services
- Industrial data science

* *Breakdown based on revenue*

OUR CONTRIBUTIONS

SOCIETY

CLIENTS
- **91%** client satisfaction rate

PARTNERSHIPS WITH SCHOOLS AND UNIVERSITIES
- **7** partnerships

HR

JOB CANDIDATES
- **1,573** new hires

EMPLOYEES (1)
- Women in the workforce: **27%**
- Diversity ratio (2): **2%**
- Training ratio (3): **62.3%**
- Workplace accident rate (4): **3.3%**

ENVIRONMENT

CLIMATE
- Emissions: **1.23** $TeqCO_2$/employee/year
- Total GHG emissions/year (5): **5,728**

CLIENTS
- Promoting carbon-free energy

OUR VALUE CREATION

SHAREHOLDERS
- **€497.5m** in revenue
- **€35.2m** in operating profit
- 2019 dividend: **€1** per share (6)

STATE
- **€10.7m** in taxes put back into the community

(1) Calculation based on 74% of the Group's workforce.
(2) % of employees with disabilities.
(3) Percentage of employees who received training in 2019.
(4) Rate of workplace accidents with lost time.
(5) $TeqCO_2$.
(6) Subject to shareholders' approval at the Annual General Meeting to be held on 26 June 2020.

1

PRESENTATION OF THE GROUP

1.1 HISTORY

1966 TO 1995: THE NUCLEAR YEARS

The Assystem Group's history began in 1966, when a team of nuclear engineers and technicians in France created Atem, a company specialised in the commissioning of industrial units. The Group's business development was subsequently driven by the major nuclear equipment programme put in place by the French State after the first oil crisis in 1973.

In the 1980s, Atem began to diversify into project management, mainly in industrial automation and IT, working with clients in sectors such as automotive, steel, space and defence.

In 1989, Atem teamed up with Cogema to form Alphatem, a company dedicated to testing and commissioning equipment and facilities purchased under Cogema's capital expenditure programmes (an irradiated fuel reprocessing plant in the Hague and the Melox plant in the Gard region of France which produces MOX fuel assemblies).

In 1994, Atem and Alphatem merged to create Assystem, which was floated on the Paris stock exchange (Second Marché) in 1995.

1996 TO 2003: BUSINESS DIVERSIFICATION

1996 marked the end of the investment cycle for construction of new industrial facilities (nuclear power stations and reprocessing plants) in the nuclear industry in France and the rest of the world, and the start of a new era for Assystem. the Company began to diversify into product design and development for the aeronautics and automotive sectors (with the acquisition of Studia in France), whilst retaining its specific skills and expertise in the nuclear sector.

2003 TO 2016: INTERNATIONAL DEVELOPMENT

In 2003, the merger with Brime Technologies allowed Assystem to penetrate the new technologies sector and paved the way for the Group to go international. Between 2004 and 2016 it carried out several significant acquisitions in the United Kingdom, Germany, India and the Middle East, which changed the Group's structure and enabled it to expand its business and client portfolios. Since then, Assystem has strengthened its operating presence in the Middle East through the following:

- in January 2015 it acquired Radicon – an engineering company with 400 employees based in Al Khobar and Riyad in Saudi Arabia – allowing Assystem to double its size in the Arabian Gulf region and win market share in the infrastructure, energy and transport sectors;
- in June 2016 it acquired a 51% interest in the Turkish engineering company, Envy – a well-established player in Turkey's engineering services market, operating primarily in the energy and transport sectors. Envy is notably involved in the construction of the Akkuyu nuclear power station (a Rosatom project).

In addition, as part of the ITER international project launched at Cadarache in the south of France – whose objective is to prove the feasibility of nuclear fusion as a source of almost limitless carbon-free energy – the Group has teamed up with a number of other engineering players:

- in 2010, with Atkins (since acquired by SNC Lavalin), EGIS and Empresarios Agrupados – based in the UK, France and Spain respectively – to set up the SNC Engage consortium (owned on an equal basis), which won the contract for managing the construction of the ITER project's buildings;
- in 2016, with the UK-based Amec Foster Wheeler (since acquired by John Wood Group) and the South Korean company Kepco E&C to set up the SNC Momentum consortium (owned on an equal basis), which was named the construction management-as-agent contractor tasked with organising and overseeing the assembly of over a million components for the ITER fusion reactor.

2017: CONTROL OF THE GPS DIVISION TRANSFERRED TO ARDIAN

At the end of September 2017, Assystem SA sold its outsourced R&D division – Global Product Solutions (GPS) – to an acquisition company specifically set up for that purpose controlled by an investment fund managed by the private equity firm, Ardian. Out of the c.€530 million sale proceeds, Assystem reinvested €185 million in equity and quasi-equity financing for the new group, which was renamed Expleo Group in early 2019. This reinvestment was carried out in two stages: the first in September 2017 and the second in January 2018, when Expleo Group acquired the German company SQS (see below). Consequently, Assystem now owns 38.16% of Expleo Group's capital and has accounted for this interest by the equity method in its consolidated financial statements since 1 October 2017.

The aim of the overall operation was to enable Expleo Group to participate in the consolidation process taking place in the outsourced R&D market by giving it access to the resources and expertise that Ardian deploys to support the growth of its holdings (particularly in terms of identifying, financing and integrating acquisitions), and therefore helping it to diversify its geographic presence and client portfolio.

In line with this objective, in early February 2018, Expleo Group acquired a controlling interest of over 95% (subsequently raised to 100%) in the German group, SQS. At the time of the acquisition, SQS had 4,500 employees in 19 countries (including 2,000 in India). Renamed QMC after joining Expleo Group, SQS has built up sold and widely-recognised expertise in providing digital strategy consulting services to its clients and carrying out tests for software applications, systems, processes and networks.

Expleo Group – which has strong technical know-how and proven expertise in complex and critical systems – generated almost €1.1 billion in revenue in 2019 and had 15,000 employees. It partners its clients in the aeronautics, defence, automotive, transport and manufacturing industries, from the design of their products and services through to the sales and marketing phase, and thanks to QMC, it also offers solutions in the bank/insurance sector.

2017 TO 2019: ORGANIC AND EXTERNAL GROWTH IN INFRASTRUCTURE ENGINEERING (ASSYSTEM E&I)

After transferring control of its GPS division, Assystem refocused its business development on its Energy & Infrastructure (E&I) division. In line with this, in late 2017 it acquired a 5% stake in Framatome alongside EDF (Framatome's controlling shareholder with a 75.5% interest) and Mitsubishi Heavy Industries Ltd (which has a 19.5% interest), reinforcing its long-standing partnership with EDF, its leading client. Generating annual revenue of over €3 billion, Framatome is the company to which Areva NP transferred its assets and activities related to (i) the design and supply of nuclear reactor equipment, (ii) the design and supply of fuel assemblies and (iii) services provided to a large worldwide installed base of nuclear reactors.

This investment forms part of a broader agreement between Assystem and EDF aimed at consolidating their partnership, particularly concerning maintenance services carried out on civilian nuclear reactors in France and the United Kingdom to ensure they remain in proper working order. It also opens up opportunities for Assystem to take part in new-build projects of the French nuclear industry and to work with other major international players.

As a leading nuclear engineering company, Assystem is well placed to leverage the anticipated rapid growth in demand for nuclear engineering throughout the world as fossil fuels are replaced by carbon-free sources for producing electricity. The Group's nuclear activities saw particular strong organic growth in 2018 and 2019.

In addition, between 2017 and 2019 the Group:

- developed and deepened its partnership with the Russian group Rosatom, which began when Assystem became the controlling shareholder of the Turkish company, Envy, in 2016. Rosatom designs nuclear reactors, builds and operates nuclear power plants, and has a large portfolio of new-build nuclear power plant projects;
- made a strong entry into the rail transport engineering sector in France, where the Group's technical capacities are very well suited to the current capital expenditure cycle (notably the upgrading and extension of the public transport networks in the Greater Paris area);
- carried out four acquisitions of significance, three of which have given Assystem a leading position in France in the domains of project management and integrating project management systems. The fourth has expanded the Group's offering of engineering services for the life sciences sector;
- continued to broaden its service offering, and invested in digitalising this offering as well as in the use of data science to optimise the processing of the large data volumes handled in infrastructure engineering activities.

1.2 CORPORATE MISSION AND STRATEGY

1.2.1 ASSYSTEM'S CORPORATE MISSION

Leading global industrial groups have selected Assystem as their partner of choice for providing them with engineering solutions and complex project management services. As a key player in the industry for more than 50 years, the Group has highly-skilled teams of engineers who design and work on critical and complex infrastructure projects, as well as on building and ensuring the optimal use of assets throughout their life cycles.

Its 6,000 employees contribute their specific talent, know-how and values to help clients meet the range of challenges they face on a daily basis, such as producing cleaner energy and broadening the reach of electric transport.

The Group's teams are trained to master and build skills whilst being able to adapt to the challenges inherent in innovation, risk management and complex projects. Operating in 15 countries, they work hard every day to share their expertise, optimise know-how and bring clients' and partners' projects to fruition.

1.2.2 ASSYSTEM'S STRATEGY

The Group's expansion drive is focused on its E&I division, which is specialised in engineering and project management for critical and complex infrastructure.

This division's overall strategy is to:

- combine organic and external growth in a balanced way;
- consolidate the globalisation of its activities, with particular emphasis on business development in the United Kingdom, Central Europe, Central Asia, India, Turkey and, more generally, the Middle East;
- develop new services for existing clients and enlarge the client portfolio, notably by gaining additional skills through hiring employees and/or acquiring companies that possess those skills;
- ensure that client offerings remain competitive by using an appropriate mix of resources based in Western Europe and elsewhere in the world.

For the Staffing division – whose business involves providing consultants and technicians for large-scale projects in the Oil & Gas and other major industrial sectors – the objectives are two-fold. First, grow its portfolio of high value-added businesses (specialist consultant offering), working in synergy with Assystem E&I, particularly in the Middle East. And second, in the volume-focused segment of the market, apply a selective approach to contracts in order to optimise profit margins, whilst digitalising its services in order to adapt its offering and cost base to the segment's specific characteristics.

1.3 ASSYSTEM'S MARKET AND POSITIONING

Assystem main business is providing engineering services and managing complex infrastructure projects.

The role of engineering is to study, design and oversee the construction of all or part of a structural work. Assystem brings added value to industrial companies, utilities and contractors operating in nuclear energy, conventional energy, transport infrastructure, life sciences and other complex infrastructure thanks to its long-standing presence in the nuclear industry, and therefore its experience of operating in restricted environments with stringent safety requirements. The Group's experts help major players in the energy industry (operators and equipment manufacturers) to manage their capital expenditure at every stage of their assets' life cycles – from design through to construction, commissioning, maintenance and ultimately decommissioning.

Electricity consumption is rising rapidly across the world due to urbanisation, the growth of the middle classes in emerging economies, more automated manufacturing, the digital revolution and the increasing use of connected objects and electric cars. Today, more than ever, electricity is an essential driver of global economic and social development.

The Group is a leading player in nuclear engineering markets, whose growth is being led by the need to combine economic growth with the combat against global warming, and therefore to increase electricity production from carbon-free sources, mainly hydro, nuclear, solar and wind power.

Assystem has in-depth expertise in nuclear engineering and a strong reputation, both in France and internationally. The Group's business is driven by large-scale maintenance programmes, the construction of new reactors in France and the United Kingdom, and new-build programmes for civil nuclear reactors launched by new-entrant countries (Turkey, the United Arab Emirates, Saudi Arabia and Egypt).

Assystem's main competitors in this market are UK and North American groups such as SNC-Lavalin (which is also Assystem's partner in the Engage consortium for the ITER project), Jacobs, John Wood Group (also an Assystem partner in the Momentum consortium for the ITER project), and Worley Parsons.

French engineering companies specialised in infrastructure engineering – including Assystem – are currently benefiting from a strong cycle of government investment in urban public transport infrastructure. The Group's competitors in this domain are primarily Egis's infrastructure engineering department, Systra (a joint subsidiary of SNCF and RATP), Setec and Ingérop.

For engineering services to other industrial sectors – which Assystem mainly provides in France, Belgium and Switzerland – the Group's competitors are companies such as Vulcain and Scalian, and in the life sciences segment, Altran, Alten and Akka Technologies.

In the field of technology consulting – in which Assystem has a presence through its 38.16% stake in Expleo Group – business is still being propelled by the automotive and aeronautics sectors.

1.4 BUSINESS OVERVIEW

Assystem operates in the engineering and infrastructure project management market through two divisions:

- Energy & Infrastructure (90% of 2019 consolidated revenue);
- Staffing (9% of 2019 consolidated revenue).

Assystem also owns a 38.16% interest in Expleo Group, a major player in the outsourced R&D market. The Group accounts for this interest by the equity method in its consolidated financial statements.

1.4.1 ENERGY & INFRASTRUCTURE

2019 key figures

Revenue: €446.2 million

EBITA: €36.9 million

Employees: 5,155

Assystem's Energy & Infrastructure (E&I) division works with public authorities, utility companies and equipment manufacturers to develop, execute and deliver critical and complex infrastructure projects. Thanks to its long-standing presence in the nuclear industry, Assystem has built up over 50 years of experience in delivering engineering solutions and managing complex infrastructure projects in environments subject to strict constraints and/or stringent safety requirements.

Structured around technical and project departments, E&I operates both in France and internationally, chiefly in the nuclear, public transport, defence and life sciences sectors, and its clients are generally large prime contractors.

Focused on ensuring the success of its clients' projects, E&I is a driver of digital transformation in the engineering industry, combining all the potential of a data-based approach with systems engineering. The Group has developed four main specific areas of expertise: (i) data science, which enables it to carry out precise, automated analyses of large volumes of data in order to extract information that is both reliable and immediately usable; (ii) systems engineering, for optimally managing the design of complex systems; (iii) project control, for effectively integrating project management systems; and (iv) field services, to reinforce the management of operational complexities in field activities.

All of the Group's cross-sector project management expertise is being gradually combined into Euro Contrôle Projet, which specialises in Project Management Office and works on an independent basis on assignments entrusted to it by prime contractors. In addition, taken together, e-P6 Consulting and the specialist department of ASCO (acquired in the second half of 2019), hold a leading position in France in project management systems integration.

Sector specialisations

In the nuclear engineering sector, Assystem works with all of the world's major nuclear technology players. E&I participates in new infrastructure projects, in the areas of research, production, the fuel cycle and waste management, as well as working on existing infrastructure in a range of different areas, from siting and permit surveys, then design, construction and commission testing, right up to dismantling and decommissioning. And during the operational phase, E&I also provides services to maintain plants in good working order and extend their lifespans.

E&I mostly carries out its projects in the contractual capacity of Architect Engineer or Owner Engineer or under operations support contracts. As well as its project management expertise, E&I can also draw on the skills of its offshore design centre in India where required.

In the transport infrastructure sector, Assystem works with operators of airports, underground and overground railways, trams and buses, providing them with engineering and project management services for extending and maintaining urban, suburban, regional and international terminals and networks.

In life sciences, Assystem Care – which operates in France, Belgium and Switzerland – allies expertise in engineering and regulatory compliance. This is particularly important in view of the sector's requirements in terms of CQV (certification, qualification and validation) and production processes and installations.

In the defence sector, Assystem works both with public agencies and private manufacturers in the areas of project management, equipment approval and installation, design, construction, commissioning, access security and maintaining infrastructure in good working order.

Assystem also offers engineering and project management services for the construction of complex buildings used for other purposes, which have strict constraints in terms of design and access security. In Saudi Arabia, for example, the Group's subsidiary, Radicon, is a well-known provider of building engineering services for the country's major infrastructure projects (new towns/cities, university and hospital complexes and petrochemical projects).

Lastly, E&I provides integration and maintenance services for command and control systems, as well as engineering services to both conventional and renewable energy producers and to electricity transmission and distribution operators.

An innovative and digital group

During 2019, Assystem continued to roll out its Imagine programme launched in 2018, which is structured around three pillars. First, developing skills and the Group's employer appeal through innovation. Second, developing new systems engineering methods by using technologies such as Building Information Modelling (BIM), Plant Life Cycle Management (PLM), data processing and artificial intelligence. And third, creating real innovation ecosystems by jointly developing projects with clients, start-ups (Sparte, Saagie and Cosmotech), public and private research institutes (supported by the French government's Investissements d'avenir programme), universities and engineering schools.

As part of the programme's third pillar, in 2019 the Group created a Chair of Excellence for PhD students at the École des Mines d'Alès engineering school, dedicated to developing new systems engineering methods for critical infrastructure.

When the Group's management team first launched Imagine, it decided that the programme would be monitored based on criteria that factor in the technological maturity of the solutions proposed and the markets addressed. However, it became apparent that although the programme was meeting its objective of driving significant advances in R&D, it was not facilitating the large-scale rollout across the Group's entities of the innovations created, especially innovations relating to the digital transformation of engineering.

To facilitate such rollouts, therefore, a new initiative called Engineering Powered By Digital was launched in 2019, with the aim of consolidating the Group's digital transformation strategy by making sure it is implemented across all of its entities. The underlying objective of this new initiative is not only to boost performance for client projects but also to enhance the appeal and attractiveness of the Group's offerings.

Engineering Powered by Digital is based on:

- Three principles: (i) being attuned to and anticipating clients' needs, (ii) switching engineering services from a document-centric approach to a data-centric approach, and (iii) adopting a Model Based Systems Engineering (MBSE) approach to projects to replace conventional single-discipline approaches.
- Four areas of service expertise: digital engineering, industrial data science, field services, and project control solutions.

The Group has set up a digital hub comprising around a hundred employees and incorporating an innovation lab. This hub works closely with Assystem's operating entities with a view to (i) increasing the use of the Group's digital innovations for existing projects, and (ii) showcasing those innovations to help win new contracts both in France and internationally.

The creation of this hub has significantly increased the Group's R&D expenditure, and at the same time has enabled R&D resources to be more effectively channelled into projects on digital methods and systems. So far, it has had the positive effect the Group was seeking in terms of digital innovations gradually being taken up by its operating entities, with many tangible results seen in 2019.

In systems engineering, the Group has made significant progress in using MBSE coupled with a data-centric approach to obtain precise descriptions and models of interactions between the various components of projects and to be able to fully factor in the corresponding interfaces. This has led to existing projects being better structured – such as those with the CEA (the French Alternative Energies and Atomic Energy Commission), Orano and EDF – and it has also helped to win new projects, such as the recent contract signed for renovating the electrical installations at the navy base in Brest, France. Going forward, this approach will be gradually deployed across all of the phases of the project life cycle (design, construction, commissioning, operation and decommissioning).

In terms of systems and methods, Assystem has heightened its expertise in benchmark platforms and systems such as the 3D Experience platform (Dassault Systèmes), engineering software, open source environments and complex environments that combine BIM tools with PLM (or ALM), and project management platforms (Primavera, Planisware and MS Project). The Group has already tested its hub approach – called Asset Information Hub – in Rosatom's technical environment.

In the area of data science, Assystem has developed a support suite for preparing engineering projects which corresponds to a business-specific search engine and is the product of the Group's expertise in decommissioning operations and its capabilities in artificial intelligence. And for design engineering work, a solution has been developed for automating business processes that uses state-of-the art deep learning techniques to automatically extract client requirements, which facilitates the configuration of a PLM platform. Having been validated on demonstrators with EDF and Rolls Royce, this solution is currently being integrated into the Group's offering. One example of its future use will be for digitalising CQV operations for life sciences players, which illustrates the benefits of having a cross-sector digital business unit for sharing knowledge and usages.

In this same domain of data analysis and verifying document compliance, extremely positive results have been obtained from a major project for the CEA and the Flamanville EPR on digitalising commissioning tests. The solutions developed have been trialled for other use cases at EDF and for the SNCF, and are being applied in the Hinkley Point commissioning preparation project in the United Kingdom. During 2019, the Group also developed an original e-cataloguing solution for Saudi Aramco which is based on Assystem's business process automation offer and will be used as a platform for creating a whole new service offering.

Lastly, marked progress has likewise been made in predictive maintenance, with the completion for EDF at Flamanville of a demonstrator of optimised maintenance engineering for certain equipment. This demonstrator will be initially incorporated into a new service offering for EDF and will then be proposed to other clients in the nuclear, rail transport and defence sectors.

The Group's field services business line develops bespoke, flexible and interoperable solutions for managing industrial assets and overseeing engineering operations at construction sites, drawing on in-depth business know-how and fully leveraging client data. For example, the Group has developed numerous industrial applications for Air Liquide, a surveillance system for the Akkuyu site in Turkey, and applications for new projects in Saudi Arabia (notably for Veolia).

Project control solutions – which play an essential role in the delivery of complex projects – cover:

- Assystem's capabilities in integrating project management systems, with the Primavera, MS Project and Planisware software. The Group is now France's leader in this field, through e-P6 Consulting and ASCO, acquired in late 2018 and in 2019 respectively.
- Combining this project management software with a data-centric approach based on BIM4D (i.e. BIM plus scheduling), and developing rules engines and solutions for optimising complex tasks carried out in constrained environments. All of this facilitates the preparation and execution of the various stages of a project's life cycle. An example of the Group's work in this area is the demonstrators created jointly with EDF to optimise production workflows and nuclear power plant outages (for which the Group specifically formed a strategic partnership with the start-up Cosmotech).

All of these changes and developments show that digital is playing an increasingly important role when it comes to recruiting engineers. The Group is therefore investing in developing an automated profile search solution so that its project managers can effectively and quickly meet client needs. This automated solution, which uses artificial intelligence algorithms, has already been deployed in the Group's nuclear activities and will form the basis of a new service offering for the Staffing division.

Significant events for E&I in 2019

NUCLEAR ENGINEERING POSITIONS REINFORCED

Assystem continued to reinforce its nuclear engineering positions in 2019, both in France and internationally. The examples below illustrate the depth and technical strength of the Group's offering, which, along with its reputation for delivery excellence, are key factors for its success.

Professional Services framework contract signed for the construction of the Hinkley Point EPR power plant in the UK

In 2019, Assystem signed an eight-year multi-disciplinary framework contract with its client EDF Energy NNB for the Hinkley Point EPR project. Under this contract, Assystem will supply its professional services and cutting-edge expertise in all fields of engineering, including quality assurance, quality control, site engineering and commissioning preparation.

Contribution to EDF's *Grand Carénage* programme

The *Grand Carénage* is EDF's programme to upgrade and further enhance the safety of its existing fleet of nuclear reactors in order to extend the lives of a number of plants. This large-scale project is in line with operations already carried out on the plants concerned since their start-up, but its singularity lies in the sheer volume of maintenance, modifications and component replacements involved.

Assystem is contributing to this programme by supplying site engineering services for the preparation, organisation and monitoring of the work performed by the contractor firms, as well as providing technical management, logistics support, methodology support and project management (PMO) services.

Contribution to the design studies for the EPR 2 reactor

In connection with the project to design the second generation of EPRs (EPR 2), Assystem has been selected to work on six sub-assemblies (the production and distribution of compressed air, fire detection and fire fighting water building, conventional effluent and waste water building, gas storage and the related buildings, and certain components required for producing and distributing demineralised water).

The EPR 2 is intended to leverage three cost-efficiency drivers in the domains of design and construction: simplifying and optimising design; transforming engineering methods and tools by using systems engineering and Plant Life Cycle Management (PLM); and incorporating industrialisation and standardisation aspects right from the basic design studies stage.

Assystem has integrated these objectives into the services it is providing, especially in terms of using systems engineering methods, which means moving from a management approach based on individual disciplines to a multi-disciplinary systems-based approach.

Decommissioning study for the CEA for the Marcoule site

During 2019 Assystem carried out a decommissioning study for the CEA for the Marcoule site, for which it used ADS DEM – its specific decision-support application for decommissioning that helps to secure all of the key parameters for each operation. By using this application, combined with Building Information Modelling (BIM) and real-time 3D technologies, a whole range of results can be obtained in terms of costs, lead times, waste and dosimetry.

ROBUST BUSINESS DEVELOPMENT IN TRANSPORT ENGINEERING

Project management consultancy for SNCF Réseau

Following the audit of SNCF's main railway stations that was carried out by Assystem in conjunction with Accenture in 2018, Assystem ET&I and SNCF have built up strong business relations. This enabled Assystem to put its skills to the service of the French railway system once again in 2019 when it won a project management consultancy contract with SNCF Réseau for the oversight and technical co-ordination of its Rolling Stock Blueprint project.

The Rolling Stock Blueprint is a programme to replace and renovate the rolling stock for the rail network in the Ile de France region (Paris and its suburbs). The new rolling stock – which is more spacious and comfortable – will increase the network's passenger transport capacity and requires adaptations to be made to a range of different infrastructure (stations, platforms, electricity supply, maintenance centres).

Project management consultancy for Aéroports de Paris

In late 2019, Assystem won a project management consultancy contract concerning the driverless shuttle for the new Terminal 4 building at Roissy Charles de Gaulle airport in Paris, which is scheduled to come into service towards the end of this coming decade. Called the Airport People Mover, this shuttle will link Terminal 4 with the airport's other terminals, as well as its car parks and RER train stations.

Assystem's role in the project is to define and structure the scope of responsibilities of the future contractors, manage the interfaces, monitor the underlying requirements and configuration of the plans, and set up a risk management system.

ENTERING THE DEFENCE SECTOR

In late 2019, Assystem won an Engineering, Procurement and Construction Management (EPCM) contract for the Renovelec project (which involves renovating the electricity supply system at the Brest naval base in France). Also during the year, the Group continued its partnership with Dassault Aviation, with a new engineering contract for an assembly plant in India, and a project management consultancy contract for relocating industrial capacity to France. The Group also partnered Thalès in connection with a large-scale export service offer.

MAJOR ORDERS IN SAUDI ARABIA

Assystem's Saudi subsidiary, Radicon, received a number of major orders for infrastructure engineering services in 2019 as part of the country's industrial development (at Jubai, Yanbu and Jizan). It also won a large EPCM contract with Veolia concerning an incinerator, and a multi-year engineering framework contract with SABIC, the world's biggest petrochemical company.

1.4.2 STAFFING

2019 key figures

Revenue: €43.8 million

EBITA: €1.2 million

Employees: 779

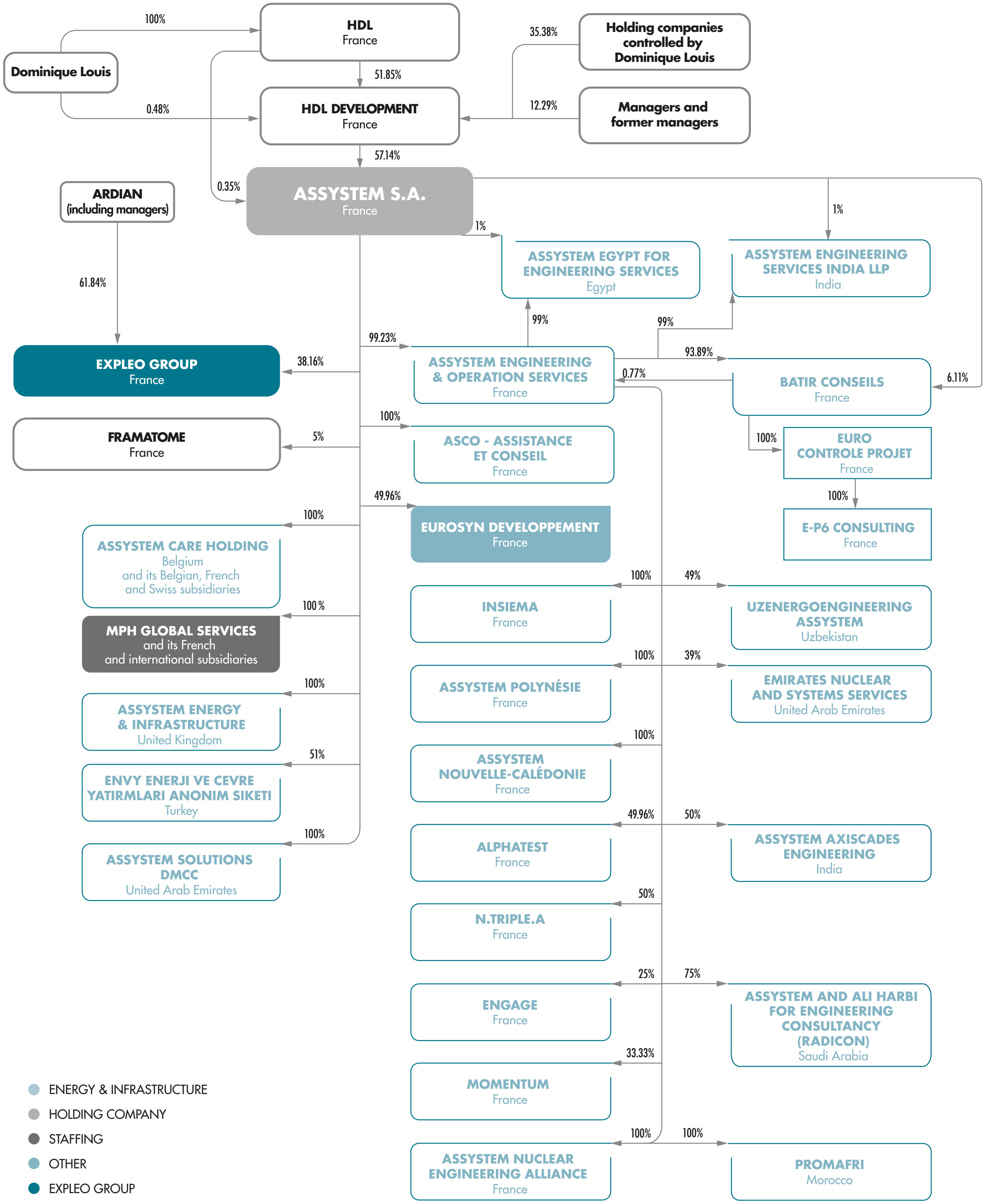
The Staffing division – which operates through the MPH Group – provides specialist consultants and technicians to the Oil & Gas sector, as well as to major players in the nuclear, defence, public transport equipment, telecommunications, mining and metallurgy sectors, to work on large-scale projects, mainly in the Middle East, Russia and Africa.

1.5 ORGANISATIONAL STRUCTURE

1.5.1 ASSYSTEM'S ORGANISATIONAL STRUCTURE

The Group is made up of two divisions – the Energy & Infrastructure division (comprising nuclear, infrastructure, life sciences and project management activities) and the Staffing division.

1.5.2 SIMPLIFIED ORGANISATION CHART OF ASSYSTEM AT 31 DECEMBER 2019



2

RISK GOVERNANCE AND MANAGEMENT

Assystem conducts its business in a constantly-changing environment. The Group is therefore exposed to risks which, if they were to occur, could have a significant adverse effect on its business, financial position and/or profit.

This Chapter sets out the risk governance system set up by Assystem as well as the risk factors to which the Group is exposed, including risks related to the economic environment, operational risks, financial risks, HR risks, risks related to information systems, legal, regulatory and tax risks, industrial and environmental risks and risks related to acquisitions.

Until recently, the Group considered that there were no other relevant significant risks to which it is exposed apart from those described below. However, the Covid-19 pandemic has given rise to a new and unforeseen risk. Assystem issued a press release about this on 20 March 2020 (see Chapter 5, Section 5.1.4).

A description of the type and impact of each risk factor, other than the Covid-19 pandemic risk, is set out below, together with an explanation of the measures taken to reduce those risks.

Concerning the Covid-19 pandemic, the Group is implementing a number of measures in order to mitigate, as far as possible, the impact of the pandemic on its business, earnings and cash flow generation for 2020, including measures permitted or facilitated by the French authorities (in particular the furloughing of employees). However, at this stage, Assystem is not in a position to determine, with any reasonable degree of accuracy, the net impact that the pandemic will have on its business, earnings and cash flow generation for 2020, especially as it does not yet know how the exact duration of the lockdown measures imposed in France and other countries where the Group operates.

The specific internal control and risk management procedures put in place by the Company related to preparing and processing accounting and financial information are described in Chapter 5 of this Universal Registration Document.

However, internal control cannot provide an absolute guarantee that Assystem's internal control objectives will be met, as any internal control system has inherent limitations. These limitations are due to various factors, such as uncertainties in the external environment, the exercise of judgement, or the cost/benefit ratio when setting up new control mechanisms.

Assystem's internal control system concerns all fully consolidated subsidiaries controlled by the Group.

The summary information set out below relating to Assystem's internal control procedures is focused on significant elements that could have an impact on the accounting and financial information published by the Group.

The Group has chosen to apply the internal control framework advocated by the Autorité des marchés financiers ("AMF" – the French securities regulator) in its position-recommendation no. 2016-08 dated 26 October 2016.

The internal control procedures in place within the Group, and notably those relating to the preparation and processing of accounting and financial information, are broken down on the basis of the five main components of internal control (see Section 2.1.3 below).

The Sections below also describe the procedures established for identifying, analysing and managing accounting and financial risks.

2.1 RISK GOVERNANCE AND MANAGEMENT

2.1.1 RISK GOVERNANCE

2.1.1.1 Internal control players and organisation of internal control procedures

The Group has a full set of measures in place intended to control and reduce risks which if they were to occur could prevent it from achieving its objectives. These measures take the form of procedures, instructions, supervisory arrangements, authorisations, delegations of responsibility, etc.

The overall internal control system forms an integrated framework covering the entire scope of the Group: divisions, business units, legal entities, countries, departments and all business processes.

Assystem's Board of Directors is ultimately responsible for verifying that the internal control system is implemented and works properly.

Since it is responsible for initiating and spearheading the Group's stated strategy of deploying an integrated internal control system, Assystem's management team is the system's owner. However, all Group players are part-owners in the sense that they are the agents and custodians of the system.

The table below summarises the main roles and responsibilities of each category of internal control player.

Internal control player	Internal control roles and responsibilities
Board of Directors	• initiates and spearheads the internal control system by relaying clear information and guidelines; • is responsible for verifying that the internal control system is deployed across the Group and ensuring that it works properly; • ensures that the internal control system is in line with the Group's risk management strategy.
Audit Committee	• ensures that the Group has a consistent internal control system that is compatible with its overall business strategy and risk profile; • approves the internal control system and is regularly informed of the findings of audits and the recommendations implemented; • consults the executive management team in order to form an opinion on the construction and effectiveness of the internal control system; • ensures the effective functioning of the risk management process related to the preparation of financial information.
Group executive management team	• steers the Group's business strategy and sets the targets for consolidated entities, allocates the resources necessary for their achievement and tracks performance based on those targets; • works in conjunction with the Quality Department to ensure that client projects are performed to the required standards.
Finance Department	• plays a key role in internal control due to the cross-disciplinary skills and responsibilities of the financial control, treasury and tax units, relayed by the division- and country-level finance managers.
Legal Affairs & Compliance Department	• plays a key role in internal control due to its organisational structure that covers all of the Group's entities, and alerts the executive management team when necessary.
Operations management	• is responsible for deploying the internal control system within the scope of its remit (i.e. its BU, legal entity, country or department) and ensuring that it works properly; • verifies that the internal control system is aligned with the structure, strategy and organisation of its scope of remit.
Operations and support staff	• are actively involved in implementing the internal control system; • carry out work and operations in compliance with the established internal control system; • inform management of any malfunctions and help determine remedial measures; • can issue alerts, through a whistle-blowing platform, about any cases of non-compliance they may identify in relation to Assystem Group entities.

The overall system also involves the participation of external players, including the Statutory Auditors. However, the Statutory Auditors are not owners of the internal control and risk management systems. Their responsibility is to review those systems and issue an independent opinion on their suitability. Each year the Statutory Auditors perform a Group audit as part of their legal engagement to certify the consolidated financial statements and the separate financial statements of Group companies. In compliance with French commercial law, the certification of Assystem's consolidated and parent company financial statements is carried out by two Statutory Auditors, who jointly examine all the financial statements, the methods used for their preparation and specific internal control procedures related to the preparation of accounting and financial information.

Other than in specific circumstances, all of the subsidiaries controlled by the Company use the audit services of Assystem's two Statutory Auditors or members of their respective networks.

2.1.1.2 Internal control objectives

The Group's internal control system aims to provide appropriate and reasonable assurance of:

- the reliability of financial information;
- compliance with the applicable laws and regulations;
- the proper functioning of internal processes, such as those used to safeguard the Group's business and assets; and
- the application of instructions and guidelines set by the Board of Directors.
- More generally, it helps the Group manage its business activities and guarantee the effectiveness of its operations and processes and the efficient use of its resources. In line with the above, the internal control system has five main objectives which can be summarised as follows:

Objective	Reasonable assurance
Finance	That the financial information produced and published is reliable.
Compliance	That the applicable laws, regulations, standards and all other obligations are respected.
Operations	That operations, activities and processes work effectively and efficiently.
Integrity	That assets (people, tangible assets and intangible assets) are secure and protected.
Strategy	That the Group's strategy and the resources put in place to implement it contribute to achieving the objectives of growth, profitability and business sustainability.

2.1.2 OPERATIONAL RISK MANAGEMENT

2.1.2.1 Organisation, responsibilities, operating procedures and tools

ORGANISATION

Assystem's organisational structure is largely decentralised, which by definition results in a high degree of delegation of operational, functional and legal responsibilities to the Group's officers and managers. Its internal control system and information systems therefore need to be adapted to this structure in order to effectively contribute to monitoring its operations.

Delegations of authority and responsibilities are drawn up in writing after approval by executive management.

A document called "Management Philosophy Rules & Requirements" describes the procedures that operations staff are required to respect. The provisions of this document apply to the whole Group and it is available to all employees.

RESPONSIBILITIES

The responsibilities assigned to employees are set out in writing in job descriptions which are validated by their line managers and supplemented, where applicable, by delegations of authority. Job descriptions help to clarify the nature of the work and transactions for which the employees are responsible by clearly describing the type and method of supervision applicable and by integrating, where required, the internal control dimension by setting out their responsibilities related to complying with and updating procedures.

The delegations of authority describe the permanent or temporary transfer of responsibilities and chiefly relate to financial transactions (incurring and authorising capital expenditure, ceilings set regarding procurement, supplier payments, etc.). The bank signing powers in place at local level must reflect these delegations of authority as closely as possible.

Having suitable resources to achieve its objectives is essential for the Group, notably due to the level of staff turnover. The Human Resources Departments play a key role in guaranteeing this suitability. In conjunction with the operations departments, they draw up staff training plans and coordinate annual performance appraisals during which the achievements for the past year are reviewed, targets for the following year are set and the skills that need to be acquired or strengthened are identified.

OPERATING PROCEDURES

Business operating procedures

In France, the Group uses a quality management system (QMS) which is available on the Intranet systems of the Group's entities. The QMS – which is a key repository of information on quality for the Group's operations – is also applicable in other countries that are significant for the Group's business. It includes a map of business processes and a set of related procedures and instructions. The quality managers use this system to carry out periodic audits aimed at assessing whether the applicable quality standards are being respected.

Pre-sales and client contracts

Pre-sales and client contract processes are defined in the QMS.

Before any bid is submitted, an internal decision-making process takes place on whether or not to actually respond to the client's invitation to tender. If the decision is positive, a technical and commercial bid is drawn up and is then subject to validations concerning its technical, financial, tax, legal and compliance aspects.

Performing services and reviewing ongoing projects

The performance of contracts is overseen by project managers. Monthly reviews are organised, at an operational level, for major fixed-fee projects, involving an examination of the project's technical stage of completion, costs and revenues, cash flow curve, and profit and costs to completion. The corresponding analyses are presented at the business units' regular business reviews, which are attended by the Chief Operating Officer, the Chief Financial Officer & Deputy CEO, the Chief Financial Controller and the Chief Legal & Compliance Officer.

Human resources, recruitment, and payroll management

Human resource requirements are identified and conveyed by line management, and the corresponding recruitment procedures are defined and managed by each country's Human Resources Department. Overall budgets for pay increases are managed at the level of each operating entity and country and are reviewed and validated by executive management.

Administrative procedures

Sales

In France, investigations are carried out before any client account is opened in order to ensure the client's solvency (supported by a monitoring process to alert the Company to any major changes in solvency). All client accounts are covered by a debt recovery procedure based on customised reminder scenarios. For this purpose, the Group uses a client account and debt recovery management software. This software is used at various stages of the billing process as from when the invoice is issued: pre-reminders before the due date, reminders, identification of late payments, identification of disputes and monitoring of their resolution, inventory of promises to pay (and verification of invoice payments at the specified dates).

Similar procedures, adapted on a case-by-case basis to the specific businesses and countries concerned, are implemented in the Group's entities located outside France. Consequently, the measures and procedures set up to prevent doubtful trade receivables and improve the effectiveness of trade receivables recovery allow the Group, wherever possible, to limit the number and amount of impaired trade receivables and ensure good generation of operating cash flow.

Additionally, the Group has strict internal rules that apply to all consolidated entities, stipulating the revenue recognition procedures to be followed depending on the type of business and project (mainly time and materials and fixed-fee projects).

The Group has a set of General Terms and Conditions of Service, which have been reviewed, reinforced and updated in line with the applicable regulations and are systematically integrated into the bids it submits to clients in France. For international bids, specific terms and conditions of service are used, which are adapted to the country and risks concerned and are systematically reviewed by the Group's Legal Affairs & Compliance and Tax Departments, as well as by Group Treasury.

Real estate

If new premises are required for particular operations, a statement of requirements is drawn up by the operations manager, which is then validated by the head of the relevant Business Unit and forwarded to the General Services Department at Group and/or country level for processing and examination of the corresponding business case. The executive management team is subsequently responsible for analysing the project and validating the size and cost of the premises selected.

The General Services Department then participates in the various stages of the negotiation process to ensure that leases are effectively tracked, in France, and where necessary, in other countries. Regular budget reviews concerning premises both in and outside France are carried out so that information can be regularly exchanged between the General Services and Finance Departments and that data on existing premises can be updated and current and future projects analysed.

Delegations of authority

The principles applicable to the delegations of authority put in place meet a three-fold objective:

- to raise the awareness of operations managers about their responsibilities regarding health and safety;
- to give operations managers powers to represent the Group;
- to set a precise framework within which operations managers can exercise their representative powers (including the possibility of sub-delegating those powers).

The delegations mainly concern commitments directly related to operational areas, such as hiring consultants and/or sales managers, signing client contracts and handling claims and disputes.

Bank signing powers are only partially delegated, both in France and abroad, and concern limited amounts.

Budgeting and management control

The operating units draft and present their strategy and annual budget to the Group's executive management team. The Group's annual budget is then approved by the Audit Committee and the Board of Directors.

Executive Management and the Group Finance Department carry out a monthly analysis and cross-check of the key reporting indicators in order to identify any variation from forecasts, detect any significant shortfalls (notably in terms of the gross margin on contracts, gross operating margin, the operational non-billing rate and client payment times) and propose remedial measures where required.

Purchases

Purchasing is subject to the following controls:

- statement of needs by the internal client;
- purchase of the equipment or service by the department concerned (general services, IT, etc.);
- validation of the service and/or delivery by the department concerned;
- issue of the payment authorisation at the appropriate hierarchical level, and invoice validated by the Accounting Department based on the relevant documents.

Payment of invoices is organised by the Accounting Department.

The Group has also put in place a third-party assessment policy, which involves scoring suppliers, then categorising them in one of three levels depending on (i) purchase volumes, and (ii) their assessment score, as follows:

- level 1: minimal monitoring;
- level 2: additional monitoring;
- level 3: reinforced monitoring.

Lastly, the Group's entities have a template set of General Terms and Conditions of Purchase, which is regularly updated to ensure compliance with the applicable regulations.

Consolidation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), based on accounting data prepared under the responsibility of the heads of its operating units.

Points of particular significance for the Group are dealt with centrally. For example, the Group Finance Department reviews the accounting treatment of disposals and acquisitions of assets and shares and the regular tests carried out on the value of the assets held by the Group's entities.

Accounting

The Group Finance Department coordinates the accounts closing processes and sends out any necessary memoranda and instructions to all consolidated entities. In addition, it meets regularly with the Statutory Auditors in order to present specific and significant transactions carried out during the year and the accounting options selected in accordance with the applicable accounting standards.

Financing and cash management

The Group has set up a centralised system at Assystem SA for managing debt and raising funds on the market when required. Assystem SA then finances the subsidiaries' needs through intra-group current accounts or loans. A centralised system for managing cash and investments has also been put in place, by creating a cash pool and a treasury management system for entities in Eurozone countries, and implementing other cash pooling procedures for the Group's non-Eurozone entities. The underlying aim of this centralised cash management policy is to guarantee the liquidity and security of the Group's investments.

Currency and interest rate hedges as well as the counterparties for these hedges are centralised at Assystem SA The Company uses only a small number of banks for its hedging instruments.

The Group has chosen Swift Net to ensure that its bank messaging is secure. Combined with the use of a cash management software in Saas mode, this solution provides an optimised system for centrally managing the Group's cash on a day-to-day basis and for minimising financial risk by offering a fully integrated management solution for cash and payments.

The Group monitors actual and forecast cash flows for each subsidiary on a daily basis for the Eurozone and on a monthly basis for non-Eurozone countries. These reviews cover the forecasts for the main cash flows related to operating, financing and investing activities, and therefore provide a precise analysis.

The Group has rolled out across the majority of its consolidated entities a consolidation, reporting and cash flow analysis system, which provides specific responses for highly operational issues, including:

- building and structuring processes for monitoring "rolling" and updated cash flow forecasting;
- standardising and simplifying the reporting and data collection processes;
- analysing, for a given period, gaps between actual and forecast figures;
- easily dealing with other issues arising as a result of the Group's activities (cash pooling, intra-group transactions, multiple currencies, identification of cash and non-cash flows).

Financial commitments

Financial commitments – including off-balance sheet commitments – require prior approval by the Group Finance Department. In addition, as part of the accounts closing process, the operating units are required to list all of the commitments they have given and received.

Capital expenditure

A capital expenditure authorisation procedure covering all capex categories is applicable to all Group subsidiaries. Given the Group's business, these expenditures are limited to the medium term and mainly concern computer hardware and software.

Acquisitions and disposals

As a general rule, the operations departments identify and pre-select acquisition targets, which are then validated by the Group executive management team and the Finance Department. Large-scale acquisitions, however, are identified and pre-selected by the Group executive management team. The identification process is carried out based on the principles described in the Group's third-party assessment policy – which was drawn up in accordance with France's new "Sapin II" Act on anti-corruption – and the "Anti-Corruption Checks for Mergers & Acquisitions" guidelines issued by the French Anti-Corruption Agency.

Due diligence procedures are then carried out – comprising operational, financial, human resources, tax, legal and anti-corruption audits of the targets, and a review of their financial performance and risk exposures – to ensure that the targets are compatible with the Group's business model. Once these procedures have been performed, acquisition proposals that represent amounts over a certain threshold are presented to the Board of Directors for approval.

Acquired companies are integrated into the Group's operational and management reporting process as rapidly as possible and, depending on the size of the companies, the Group's information systems are deployed to guarantee the reliability of financial information.

Disposals of assets and securities are validated by the Board of Directors and the executive management team and are managed and monitored at Group level in conjunction with the operations departments concerned.

Legal disputes

Legal disputes involving Assystem SA and its subsidiaries are managed, monitored and reported solely by the Group Legal Affairs & Compliance Department in conjunction with in-house legal experts at country level and/or experts in contract, corporate and securities trading law. A quarterly reporting system has been set up in France whereby the potential financial impact of legal disputes is analysed by the finance directors of each operations department, and, if required, by the Group Finance Department.

Communication of results

The preparation and validation of press releases and investor presentations concerning the Group's results are governed by a specific procedure involving the Group's executive management team, the Finance Department, the Communications Department and the Statutory Auditors. Draft financial releases are submitted to the Audit Committee and the Board of Directors for review. The confidentiality of financial information prior to its disclosure is strictly managed within the Group, in compliance with the applicable laws and regulations.

The Group takes all reasonable measures to provide regular, reliable, clear and transparent information to its shareholders and financial analysts.

Information is provided through press releases, the quarterly publication of the Group's revenue figures and the half-yearly and yearly publication of its results.

The Group organises meetings with financial analysts twice a year, when it publishes its half-yearly and annual results, as well as conference calls four times a year, when it publishes its quarterly revenue figures.

Financial reporting

The Group's financial reporting includes a set of indicators and aggregates which enable the Group to precisely analyse the performance of its subsidiaries and business units. In addition to these indicators, the Group specifically monitors its SG&A expenses, billable staff time and billing rates. All of the tools and systems used are rounded out by the Group's internal control measures.

See the "Financing and cash management" Section above for details about the Group's cash flow management and analysis systems.

2.1.2.2 Internal communication

The Intranet and the reporting and consolidation system are the two centralised communication channels used by the Group to relay key information that is necessary for the people concerned to exercise their responsibilities.

The QMS manual and the main procedures applicable at local level (relating to IT, human resources and project management) are published on the Intranet.

All of the subsidiaries are equipped with the Group reporting and consolidation system, which is the platform used for the financial information published by the Group. Accounting instructions are sent to all Group subsidiaries to ensure that information is reported in a standardised format.

The Group communicates with its subsidiaries by circulating memoranda and procedures to ensure that matters affecting the Group as a whole, such as investments, cash management, the monitoring of trade receivables, etc., are dealt with consistently.

Lastly, subsidiaries are responsible for setting up and maintaining management information systems that are compatible with the Group's objectives in terms of reporting financial information and managing projects. To date, the Group has not opted to implement a shared management information system for all of its subsidiaries. It does, however, take care to ensure that the descriptions and content of its key performance indicators are harmonised for comparable activities in order to enable cross-business analyses (in particular project profitability analyses) to be carried out based on the same data, and to facilitate the exchange of skills between business units and countries.

2.1.2.3 Identifying, analysing and managing risks

The Group attaches critical importance to effectively managing its risks.

It regularly conducts project reviews to help identify the risks involved in ongoing projects and to decide on any actions to be taken to reduce them. These reviews – which mainly relate to fixed-fee projects – are carried out using check-lists and enable the following areas to be dealt with:

- recognition of revenue in line with the financial progress of the contract;
- margin on completion;
- contractual risks and related reserves and provisions;
- cash flows.

Each business unit also carries out their own project reviews, which cover the main projects in progress.

The assessment of the risks to which the Group is exposed as well as the probability of these risks occurring and their potential impacts is based on discussions carried out between the Group's executive management team and managers from its principal operations and corporate departments. On the basis of these discussions, risks are classified into the following main categories (see Section 2.1.4 below for corruption risks):

- business/operations;
- contract and project management;
- HR/people and skills management;
- finance.

For each of the above categories, the main risks have been identified, defined and assessed in terms of their impact and probability of occurrence.

The criteria used to assess the impact of identified risks and the probability of their occurrence are described below.

IMPACT

For risks whose consequences can be measured in monetary terms, their impact on consolidated operating profit is determined in accordance with the following scale.

Magnitude	Monetary impact on operating profit
Low to medium	Between €0.5m and €3.5m
High	Over €3.5m

PROBABILITY

The probability of risks occurring is measured by reference to the past occurrence of comparable and/or similar events, according to the following scale:

Degree of probability	Occurrence of comparable and/or similar events in the past
Low to medium (less than 30%)	Occurred between zero and two times in the past five years
High (over 30%)	Occurred more than twice in the past five years

The various risks thus assessed are positioned on two axes (impact and probability), which is then used to rank them as follows:

- **Type 1 – Low to medium probability/high impact:** priority risks which require specific attention from Executive Management, in close co-ordination with one or more members of the Board of Directors. If a Type 1 risk occurs, measures aimed at mitigating its impact are implemented by management as rapidly as possible.
- **Type 2 – High probability/low to medium impact:** risks requiring that the Board of Directors is regularly informed in order to provide it with a reasonable assurance of the proper functioning of controls aimed at reducing the possibility of the risks occurring.
- **Type 3 – Low to medium probability/low to medium impact:** risks requiring that the Board of Directors is regularly informed in order to provide it with reasonable assurance of the proper functioning of controls aimed at mitigating the impact in the event that the risks occur.

No risks specific to the Group's operations have been identified that have a high probability of occurrence and would have a high impact on operating profit.

The risk classification set out in Section 2.2 below – which is based on the dual criteria of the probability of occurrence and the potential impact on the Group's earnings and financial position – is the result of an assessment by the Company's executive managers based on their in-depth experience of handling the Group's operations and having discussed the classification with the Board of Directors.

2.1.3 INTERNAL CONTROL

2.1.3.1 Control activities in line with objectives

In view of the Group's high degree of decentralisation and its policy of delegating powers and responsibilities, the scope of the controls implemented is defined by each subsidiary's management team based on the Group's underlying internal control framework.

The main purpose of the controls performed is to reduce the major risks to which the Group is exposed.

The principal categories of control activities cover the following areas:

- Contract authorisation: the Group has established delegation principles which give the appropriate managers the necessary powers to authorise contracts. The controls performed cover each contract phase:
  - selecting invitations to tender,
  - submitting bids,
  - setting billing rates and pricing,
  - signing contract riders.
- Contract review: the Legal Affairs & Compliance Department conducts an independent review of major bids, contracts and contract riders before they are submitted or signed. This Department is also responsible for updating, where necessary, the General Terms and Conditions of Service, which are appended to client invoices. It also drafts any specific terms and conditions of service when required, adapting them to each country and type of risk concerned. The Tax and Treasury Departments also carry out reviews of the tax and cash management aspects of contracts and the guarantees that need to be given;
- Time management and billing: specific applications are used for entering and tracking time spent on projects and jobs. Each subsidiary verifies and performs controls to ensure that the times entered for ongoing projects are accurate and to trigger client invoicing.
- Payments: the Group has introduced a dual signature policy for means of payment. In line with this policy, the Company defines thresholds for the authorisation of subsidiaries' expenses based on categories of authorised signatories. A secure bank messaging system is used to ensure that the policy is respected.
- Budget and budget adjustments: each subsidiary presents the budget that it has drawn up for the upcoming financial year to the members of the executive management team who approve budgets. The same procedure applies to budget adjustments that are made during the year.
- Periodic results and reporting: periodic results are reported every month via the reporting and consolidation system. The Group Finance Department conducts a critical review of these results and obtains any further information that it may require from the relevant subsidiaries.

The Group places particular importance on segregating tasks in order to strengthen the controls undertaken for critical transactions, particularly payments.

In small-sized entities, it is sometimes difficult to segregate tasks for organisational reasons. In such cases, specific controls are put in place, mainly corresponding to increased oversight by management, which conducts an independent review of critical transactions for control and authorisation purposes.

2.1.3.2 Ongoing monitoring of the internal control process

Determining the general principles of the internal control system and overseeing the internal control process are two of the responsibilities of the Board of Directors, the Audit Committee and the Group's executive management team. Executive Management is responsible for ensuring that the system is properly implemented in all of the Group's entities and works in conjunction with the relevant support functions to achieve this objective.

2.1.3.3 2020 action plan

The Group has made internal control part of a continuous improvement plan with the aim of enhancing the operational effectiveness of its processes for preparing and processing accounting and financial information. In line with this, the action plan drawn up for 2020 includes carrying out a priority review of recently-acquired subsidiaries, covering financial, organisational and operational issues.

2.1.4 COMBATING CORRUPTION AND INFLUENCE PEDDLING

In 2011, Assystem pledged to uphold the UN Global Compact which sets out ten universal principles covering human rights, labour, the environment and anti-corruption measures. It reaffirmed its pledge to uphold these principles on 16 January 2017.

Employing fair business practices is one of the Group's key priorities.

In accordance with the requirements of France's "Sapin II" Act, the Group has put in place a policy to combat corruption and influence peddling. This policy takes the form of:

- a specific Code of Conduct aimed at combating corruption and influence peddling, as recommended by the French Anti-Corruption Agency, as well as dedicated internal policies based on an update to the Group's risk map related to these two issues, including:
  - a policy on corporate gifts and invitations,
  - a corporate sponsorship and philanthropy policy,
  - a policy on the use of intermediaries,
  - a third-party assessment policy,
  - a whistle-blowing policy.
- a Legal Affairs & Compliance Department, which is in charge of relaying the Code of Conduct and above policies across the Group.

2.2 RISK FACTORS

Risk category	Identified risk	Change*
Risks related to certain geographic regions	Risk of volatility in revenue and operating profit	↗
Operational risks	Risk of unforeseen costs for fixed-price contracts and erosion of operating profit	→
Financial risks	Liquidity/financing risks	→
HR risks	Risk of losing key skills/not retaining talent	↗
Risks related to information systems	Risk of data being unavailable or corrupted, or being accessed by unauthorised third parties	↗
Legal, regulatory and tax risks	Risk of non-compliance	→
Risk related to acquisitions	Risk that an acquisition could have a dilutive effect on operating profit. Financial, legal and reputational risks.	↗

→ Stable — ↗ Increase

** Change before taking into account the action plans and other measures implemented within the Group*

2.2.1 RISKS RELATED TO CERTAIN GEOGRAPHIC REGIONS

Type	Impact	Risk reduction measures
Type 2 risk Risk of political, social and economic instability in some of the geographic regions in which the Group operates.	Risk of volatility in revenue and operating profit.	The revenue and operating profit generated in these geographic regions have a relatively limited impact overall as the Group generates over 80% of its revenue in Western Europe.
Type 2 risk Risk that the markets and geographic regions in which the Group operates may have a dilutive effect on margins.	Erosion of gross margin and, ultimately, operating profit.	Close monitoring of ongoing projects and new business by the management team of the division concerned and regularly relaying information to members of that management team. Review of gross margins for ongoing projects and new business.
Type 2 risk Risk of parties with which the Group works being subject to international trade sanctions that prevent the performance of projects	Negative impact on revenue, gross margin, and operating profit.	*Process* for monitoring third parties (clients, suppliers, service providers, etc.) and reviewing offers *(go/no go tests*) to ensure that the applicable international trade sanctions are not breached.
Type 2 risk Risk that investments made do not generate the expected returns.	Negative impact on cash flows and operating profit.	Procedure drawn up and applied for prior authorisation of recurring capital expenditure (primarily for software). This procedure sets out the authorised signatories within the operating entity and requires signature by one or even two members of the management team for capital expenditure in excess of a given threshold. Capital expenditure (i.e. investments excluding external growth operations) represents in average over medium period between 1% and 2% of the Group's consolidated revenue, which is normal in Assystem's industry, and means that exposure to risks related to this expenditure is limited. The Board of Directors is systematically informed of, and holds discussions on, any potential acquisitions of equity interests or other external growth investments, once these have been assessed by the Group's executive and operations teams.
Type 3 risk Risk of non-recovery of trade receivables.	Negative impact on realisable and available assets and on operating profit.	Client creditworthiness investigations conducted before new contracts are taken on, and regularly re-conducted for contracts or clients already in the portfolio. In addition, certain members of the Group's accounting teams are assigned a specific credit *management role,* which involves regularly monitoring the collection of trade receivables, tracking progress in the collection of outstanding receivables, and issuing the necessary reminders.

2.2.2 OPERATIONAL RISKS

Type	Impact	Risk reduction measures
Type 1 risk Risk that business activities engaged in with one or more major clients may decline or cease altogether.	Negative impact on revenue and operating profit.	The business conducted with the Group's largest clients requires varied skills in diverse business sectors, which automatically significantly reduces the risk of revenue dependency. In addition, in a number of cases clients would find it difficult to replace the Group's technical expertise, which means that they will need its services over a long period of time.
Type 1 risk Risk that the operational non-billing rate (ONBR) exceeds the threshold of 10% for a prolonged period.	Negative impact on operating profit.	As one of the Group's key operating indicators, the ONBR is included in the periodic reporting carried *out* by each legal entity which is reviewed by the Group's executive management team. If the ONBR exceeds the defined threshold, Executive Management takes appropriate measures to promptly lower it, notably by sharing and crossing over resources. The ONBR is determined as follows: Total unbilled hours of billable staff/Total hours worked by billable staff.
Type 3 risk Risk that contracts entered into do not generate sufficient margins.	Negative impact on gross margin and, ultimately, on operating profit.	Specific process for selecting projects and submitting bids (financial review of key project elements, in particular projected revenue and margins and margin on completion for fixed-price projects) and authorisation by designated managers. Contract review process by each business unit and Group Executive Management, with a particular focus on multi-year projects.
Type 3 risk Risk that fixed-price contracts may lead to excess non-billable hours.	Negative impact on revenue and gross margin, and ultimately, on operating profit.	Contract review process by each business unit and Group Executive Management, with a specific focus on multi-year projects. These contract reviews are used to assess the progress of projects under way and all the identified risks to date in order to draw up and implement appropriate action plans (both for clients and in-house).
Type 3 risk Risk that net staff *turnover* is not effectively managed and that the turnover rate is such that the replacement of resources cannot be ensured during the period.	Negative impact on project performance and revenue.	Annual recruitment plans are drawn up on the basis of a *turnover* rate of 20%-25%, and changes in the rate during the period are regularly measured, analysed and monitored. See Chapter 3 of this Universal Registration Document for further details. Staff turnover is measured as follows: Staff departures during the year/Average headcount during the year.
Type 3 risk Risk that clients may relocate their business or projects to geographic regions where the Group does not operate.	Negative impact on revenue, continued relationships with clients and operating profit.	Subject to respecting international trade sanctions, the Group constantly highlights its ability to provide services in the same geographic locations as its clients.
Type 3 risk Risk that contracts entered into do not generate sufficient margins to cover development costs in geographic regions where the Group traditionally has little or no operating presence.	Negative impact on operating profit.	The Group regularly reviews the allocation of its management resources and the configuration of its local resources in order to avoid incurring costs in a given geographic region that, over the long term, are out of proportion with the revenue generated in that region.

2.2.3 FINANCIAL RISKS

The Group's organisational structure is such that it centrally manages all market risks to which it is exposed, namely interest rate risk, exchange rate risk, counterparty risk and liquidity risk.

Within the Finance Department, Group Treasury operates in the financial markets as the Group's financial risk management body. This unit is organised in such a way as to ensure the segregation of tasks.

Every month, Group Treasury reports to the CFO & Deputy CEO on the positions and results of its management in compliance with the principles and policies put in place by the Group's executive management team. Most Group entities use the same software programmes (Taïga, Integrity or Swaps). These tools help to secure movements and enable more reliable reporting, in accordance with Group standards.

Type	Impact	Risk reduction measures
Type 1 risk Risk of inability to meet financial commitments (liquidity risk).	Negative impact on the cost of debt and potentially on the Group's ability to operate as a going concern.	Assystem has carried out a specific review of its liquidity risk and considers that it is capable of meeting its future maturities. Furthermore, Assystem has put in place: • a cash pooling system to optimise its liquidity resources, with monthly reports submitted to the CFO & Deputy CEO; • a pro-active management strategy for its debt, which is issued and managed centrally by the Company. At 31 December 2019, the Group had access to a €120 million revolving credit facility with a sufficient maturity to finance its general corporate requirements (28 September 2024 following the exercise of the one-year extension option). €17 million of this facility had been drawn down at 31 December 2019. In addition, in early 2018 Assystem set up a €30 million investment loan (increased to €60 million in June 2019) with a final maturity of 28 September 2024.
Type 1 risk Risk of a breach of a financial covenant triggering early repayment of borrowings.	Negative impact on cash and potentially on the Group's ability to operate as a going concern.	The above-mentioned revolving credit facility and investment loan contain a covenant based on the Group's consolidated gearing ratio (consolidated net debt at the test date/EBITDA for the past 12 months as adjusted for acquisitions and divestments). This ratio is measured at the end of each half-year period and must not exceed 3.75 at each 31 December and 3.95 at each 30 June. If the covenant is breached, a qualified majority of lenders (representing at least two thirds of the lending commitments) may require early repayment of the borrowings. At 31 December 2019, the Group's gearing ratio was well below the ceiling specified in the covenant.
Type 3 risk Risk of a failure to effectively control finance costs (interest rate risk).	Negative impact on financial expenses.	To reduce this risk, where necessary, the Company sets up appropriate hedges using derivative financial instruments, taking into account the prevailing market conditions. The financial instruments used - which mainly correspond to swap contracts - are approved by the CFO & Deputy CEO. At 31 December 2019, in view of the attractive market conditions, the Group put in place an interest rate hedge for its debt repayable at maturity, with a start date of end-June 2020.
Type 3 risk Risk of a failure to effectively control foreign-currency cash flows and the valuation of subsidiaries outside the Eurozone (exchange rate risk), given the geographical diversity of the Group's operating presence.	Negative impact on equity and/or consolidated profit.	The Group monitors bids and contracts in foreign currencies in order to safeguard the related operating margins. The hedges put in place when exchange rate risk is identified mainly correspond to forward purchase or sale contracts, whose amounts and maturities are matched with the underlying exposure. To hedge intra-group transactions in foreign currencies, the Group uses currency swaps. The Group's foreign-currency balance sheet risk essentially relates to the euro/Turkish lira, euro/Saudi riyal and euro/pound sterling exchange rates. See Note 8.6 to the consolidated financial statements for details about the Group's financial risk management strategy.
Type 3 risk Risk of default by a financial counterparty.	Negative impact on consolidated profit.	The Group undertakes counterparty review and monitoring procedures which are approved by executive management.

2.2.4 HR RISKS

Type	Impact	Risk reduction measures
Type 1 risk Risk that the Group's available skills do not match client and market requirements.	Negative impact on the Group's reputation and revenue generation.	Employee training is a key priority for the Group and it has developed dedicated training structures by sector and business.
Type 1 risk Risk of losing key skills needed for the Group to be able to operate and develop.	Negative impact on the Group's reputation and revenue.	Key persons are identified within each of the Group's operating entities as well as in its support functions. Succession plans have been drawn up for all of these key persons.

A more detailed description of the Group's HR risks is provided in Chapter 3 of this Universal Registration Document.

2.2.5 RISKS RELATED TO INFORMATION SYSTEMS

Risks related to information systems (Type 1 risks) as well as the measures and action plans put in place by the Group to manage those risks are described in Chapter 3 of this Universal Registration Document.

2.2.6 LEGAL, REGULATORY AND TAX RISKS

Type	Impact	Risk reduction measures
Type 3 risk Risk of lack of control over the legal, regulatory and tax aspects of the Group's business and operations in a context of globalisation, and lack of regulatory compliance.	Negative impact on the Group's reputation, operating profit and financial position.	The bid and project review process includes a legal and tax review. These reviews are notably used to ensure that there are no legal terms or conditions that are unacceptable for the Group. The definitions and formal classifications of these terms and conditions are provided to all line managers.
Type 3 risk Risk that changes to French or foreign tax regulations, or their interpretation by the relevant authorities, may be contrary to the Group's interests or may restrict the Group's ability to organise or conduct its business.	Negative impact on operating profit and/or consolidated profit.	Working in conjunction with operations staff, the Group Tax Department continuously monitors any changes in tax regulations, and their corresponding interpretations, that are of relevance to the Group. Where necessary, it proposes ways of adapting the Group's organisational structure and its operations in order to mitigate the impacts of such changes.

TAX AUDITS

France

In late 2014 the Company received notification of a €13.5 million tax reassessment relating to research tax credits recognised for 2010, 2011 and 2012 by its former subsidiary Assystem France, which was a member of the Company's tax group during the years concerned. The Company is fully disputing the validity of this reassessment.

The risk relating to this dispute was transferred by Assystem France to the Company at end-2016 in return for the payment by Assystem France of €7.3 million in compensation. The Company recognized a provision for the full amount of this compensation in its 2016 financial statements.

At end-2017, the Company received a payment notice from the tax authorities for the reassessed amount and therefore increased the provision in its 2017 financial statements. The provision covers since then the full reassessed amount as well as the potential late payment penalties.

In 2019, an additional amount was set aside for potential late payment penalties and at the year-end the provision totalled €16.6 million.

Also during 2019, the French tax authorities' National and International Audit Department carried out an audit on the Company's accounts for 2016 and 2017. No tax reassessments were issued following this audit.

2.2.7 INDUSTRIAL AND ENVIRONMENTAL RISKS

Due to the nature of its activities, the Group has no significant direct impact on the environment. In the nuclear sector, the Group provides only knowledge-based services and is not authorised to operate any nuclear facilities as defined in the applicable regulations. The Group's environmental policies and strategies are set out in Chapter 3 of this Registration Document relating to non-financial performance. The risk assessment procedure described in Section 2.1.2.3 above does not apply to industrial and environmental risks as the Group has not identified any such risks specific to its activities that are significant.

2.2.8 RISKS RELATED TO ACQUISITIONS

Type	Impact	Risk reduction measures
Type 1 risk Risk that acquired companies may have committed acts that do not comply with the applicable laws and regulations on corruption and influence peddling.	Financial risks, criminal legal risks, image risks.	During the due diligences performed prior to acquisitions, a specific audit is now carried out to detect any cases of corruption or influence peddling A post-acquisition plan (which is included in the third-party assessment policy) is implemented for companies that the Group acquires and measures are taken to ensure their legal and regulatory compliance.
Type 2 risk Risk that acquired companies may not generate operating profit in line with the Group's objectives and expectations.	Dilutive impact on operating profit. Group profitability/performance objectives not met.	A post-acquisition integration plan is drawn up for companies that are newly acquired by the Group. One of Assystem's priorities after acquiring a company is to implement the Group's reporting processes and systems so that it can rapidly monitor changes in results and generation of cash flow and take any appropriate corrective measures.

At the date of this Universal Registration Document, the Group had not identified any other significant risks.

2.2.9 INSURANCE STRATEGY

The Group's insurance strategy includes a pro-active risk prevention and protection approach and the coverage of major risks in all of its business areas and sectors.

To cover these risks, Assystem has taken out a professional and operating liability insurance policy for its French and international subsidiaries. The professional liability insurance policy acts as umbrella insurance providing protection against any losses and amounts of claims that are not covered – or not fully covered – by the local insurance policies of Group entities located outside France.

Assystem also has construction insurance to cover any claims under the ten-year warranty that it may be required to give for building works in accordance with French legislation.

Coverage amounts vary depending on the type of risks and risk exposure concerned.

The Group's insurance strategy is managed and overseen by the Legal Affairs & Compliance Department, which:

- proposes solutions to Group Executive Management for transferring risks to the insurance market;
- negotiates, sets up and manages insurance programmes for the Group as a whole and reports to the executive management team on the actions it takes and the costs it incurs in relation to insurance;
- manages insurance claims.

3

NON-FINANCIAL PERFORMANCE STATEMENT

"Electricity will power our future in more ways than one. But we will need to make full use of our engineering expertise and innovation capabilities to develop carbon-free energy production and its applications in the digital era."

Dominique Louis, Chairman & CEO of Assystem and co-author of "2050, une France sans carbone" (2050, a carbon-free France), Éditions Fayard, 2018

"The real choice is not nuclear versus renewables, it's nuclear and renewables versus gas, oil and coal. Choosing nuclear and renewables is the only way to effectively combat climate change."

Stéphane Aubarbier, Assystem's Chief Operating Officer

3.1 VISION AND MAJOR CHALLENGES

3.1.1 CSR VISION AND STRATEGY

We are convinced that Assystem, like all companies, has a duty to help develop solutions to the major challenges facing society, by basing our organisation on a responsible and inclusive model that ensures the business's sustainability.

The Assystem Corporate Social Responsibility (CSR) strategy is our response to the climate emergency and the resulting need to adjust our business growth strategies to take account of social and environmental challenges. We attach considerable importance to complying with all applicable laws and regulations in our host countries and to treating all employees fairly. But more than that, we are determined to use our businesses as a lever to help accelerate the energy transition.

3.1.2 CONTRIBUTIONS TO ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

By choosing to specialise in engineering projects that have a positive environmental impact, we aim to contribute to achieving the Sustainable Development Goals (SDGs) announced by the United Nations (UN) in 2015. We are also following in the footsteps of the International Atomic Energy Agency (IAEA), which published a document in 2016 entitled "Nuclear Science for Sustainable Development Goals" highlighting the many ways in which nuclear science plays a role in achieving the SDGs, especially in the fields of manufacturing, human health, energy and the environment.

In line with the IAEA's stated position, we intend to put our engineering expertise to work in helping to achieve the following SDGs:

We're firmly convinced that nuclear, combined with other carbon-free energy sources, has an essential role to play in energy transition. That's why we work, day in day out, to help make the nuclear programmes we are involved in safe, highly efficient and cost-effective, through our innovation and development projects, notably in the area of digital engineering. At the same time, we are helping new countries to convert to nuclear energy. We intend to make our expertise available to countries such as Turkey and Uzbekistan that are choosing this energy source for the first time, as well as to countries that are renewing their nuclear power plants. We recognise that partnerships permit greater access to nuclear science and technology and are supporting the government-sponsored competitiveness clusters through cooperation agreements with a wide range of partners, such as Institut de Radioprotection et de Sûreté Nucléaire (IRSN) France's nuclear safety institute, Groupement des Industriels Français de l'Énergie Nucléaire (GIFEN), the French nuclear industry association, and Société Française d'Énergie Nucléaire (SFEN), a nuclear energy research and information organisation. These partners are a valuable source of opportunities to share expertise and skills.

SDG 7 targets:

- *7.1 Access to energy*
- *7.3 Energy efficiency*
- *7.A Research and development*

SDG 13 target:

- *13.5 Raise capacity*

SDG 17 target:

- *17.16 Enhance the global partnership for sustainable development*

Science and technology make a valuable contribution to economic growth and play an important role in supporting sustainable development. For over 50 years, we have deployed our nuclear engineering expertise on an international scale. We have also directed our engineering services towards modernising and extending the life of complex infrastructure that contributes to sustainable development (rail infrastructure, integrated waste-to-energy plants, etc.). To facilitate achievement of the sustainable development goals, we intend to strengthen our innovation capabilities, fine-tune the technologies currently in use, introduce digital solutions across all of our businesses and use data science to improve our industrial performance.

SDG 9 targets:

- *9.1 Sustainable, resilient and inclusive infrastructure*
- *9.5 Innovation, research and development*

In addition to our core business and in line with our commitment to being an engaged, responsible and inclusive organisation, we are developing programmes that contribute to meeting the following SDGs:

The employability of young engineers is a major concern for Assystem. To drive progress in this area, we develop partnerships with engineering schools and prepare training roadmaps for interns and employees under work-study contracts. These roadmaps help them acquire technical and professional skills that will facilitate their entry in the job market while helping us to ensure that we are able to hire the skills we need.

SDG 4 target:

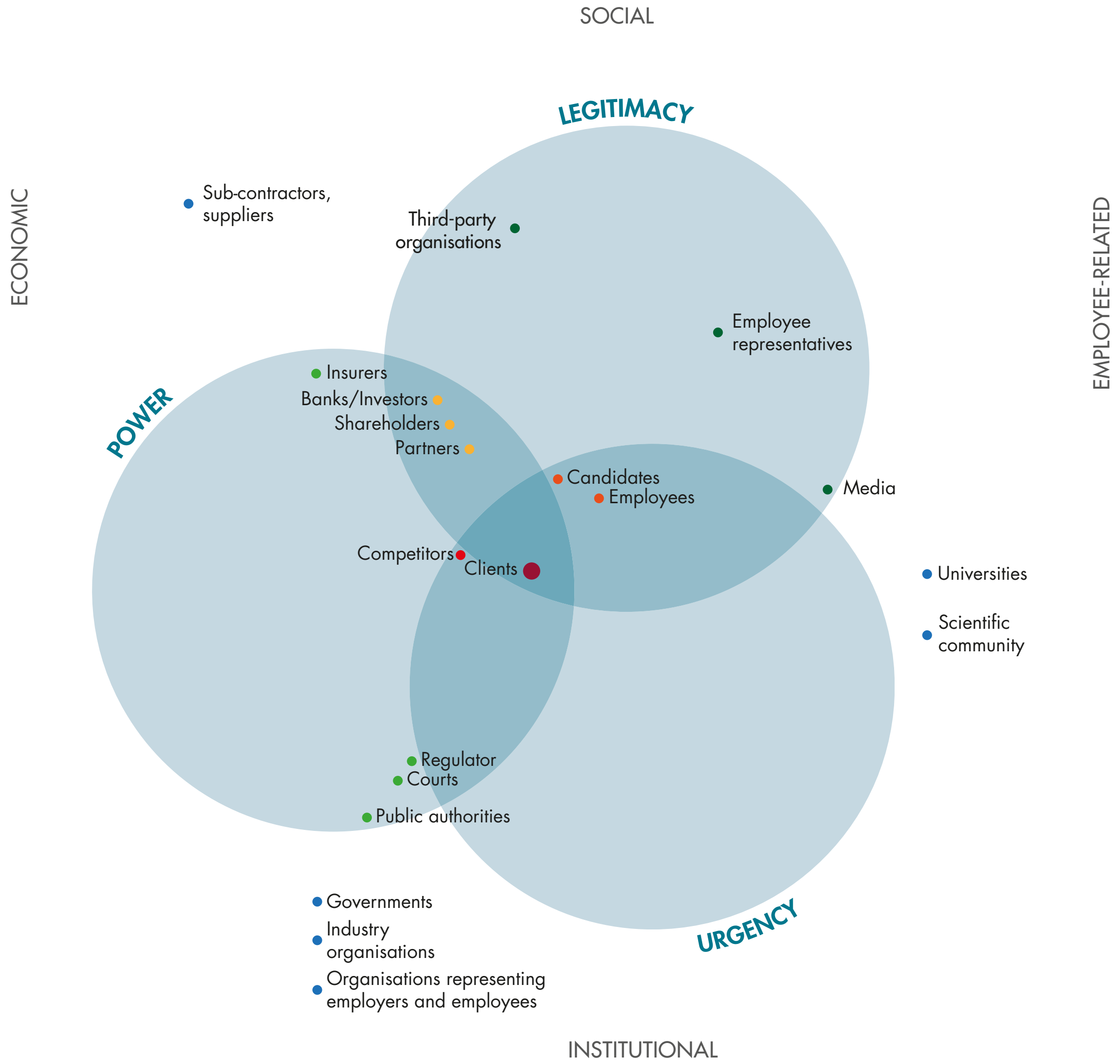
- *4.4 Increase skills and access to employment*

We have a long tradition of actively promoting gender equality, in order to better reflect the society that we live in. Our Incredible Women programme consists of a set of initiatives to encourage and help women to move up the career ladder at Assystem, such as mentoring and coaching initiatives and leadership training. A core aim of the programme is to increase the number of women in management positions.

SDG 5 target:

- *5.5 Full and effective participation and equal opportunities for leadership*

3.1.3 STAKEHOLDER MAP



Stakeholder typology/hierarchy

(Mitchell, Agle & Wood method, 1997)

- **DEFINITIVE**
  Stakeholders that have the greatest influence over the company and are capable of making it change its decisions.
- **DANGEROUS**
  Stakeholders whose actions may negatively affect the company in certain cases.
- **DOMINANT**
  Stakeholders that have the two most important attributes allowing them to influence the company's actions: power and legitimacy. As a result, the company must attach the necessary importance to satisfying reciprocal interests in order to be able to grow.
- **DEPENDENT**
  Stakeholders that express legitimate and urgent needs but do not have the necessary power to influence the company's actions.
- **DORMANT**
  Following an event triggering their intervention, these stakeholders issue directives that are likely to determine the company's actions.
- **DISCRETIONARY**
  These stakeholders have legitimate expectations, but they are unable to dictate or influence the company's decisions.
- **NON-STAKEHOLDER**
  Non-stakeholders have only limited influence or their influence is sufficiently generic that it does not directly affect the company.

Levels of influence

POWER
Ability to influence the company.

LEGITIMACY
The stakeholder's actions are perceived as desirable or appropriate.

URGENCY
Obligation for management to respond to the stakeholder's demands within a period that is acceptable to the stakeholder.

We are committed to listening to economic, social, community and institutional stakeholders in France and internationally, in order to understand their expectations, identify the main risks and opportunities, adapt our approach and improve our performance.

In this way, we intend to create the necessary conditions for lasting, responsible and shared business growth. In 2019, we confirmed the stakeholder map, classifying each stakeholder according to their degree of influence over the Group, the perceived legitimacy of their demands and expectations, and the urgency with which these demands need to be addressed.

	Interactions	Expectations	Dialogue method
Shareholders	The support of our shareholders is critical to the Group's medium-term development. They want to be informed about our major decisions and core strategies. They expect us to meet the highest standards of corporate governance.	• A sustainable business model • Recurring performance • Ethical practices • Transparency about financial and other issues	• Publication of regulatory reports • General Meetings of Shareholders • Investor and analyst meetings • Code of Conduct covering bribery and corruption and influence peddling • Insider Trading Compliance Code
Clients	Our clients are our main source of business referrals. Thanks to them, we generate revenue and create value. Our clients' business environment influences our own business. Our agile business model and ability to adapt to their environment are essential.	• Project delivery • Engagement and service quality • Compliance with safety, security and environmental imperatives • Innovative technological solutions	• Frequent and recurring dialogue in order to partner them for their strategy and business challenges • Annual satisfaction surveys • Joint participation in conferences and symposia on future developments in our businesses
Partners	Our partners are strategic and their techniques and skill-sets complement our own. We create vehicles enabling us to work together on long-term projects.	• Joint projects built around innovative solutions • Shared project governance • High quality services	• Creation of project teams to work on common solutions
Competitors	Our competitors are in direct competition with us. We operate in the same markets, bid for the same contracts and source the same candidates. We offer competing innovations and technological solutions to clients. It is important that we present competitive, attractive and differentiating bids in order to win contracts.	• Compliance with the fundamental principles of healthy competition in accordance with competition law • Contribution to the public debate and industry discussions in order to drive advances in our disciplines and professional practices in accordance with competition law	• Some of our competitors are also our partners on certain projects • Membership of industry organisations • Participation in conferences, debates and trade fairs
Employees	Our employees are essential to our value creation process. We need to develop their employability and promote an open and flexible work environment.	• Interesting engagements • High quality management • Dynamic career management and skills development • Competitive compensation • Workplace wellness	• Engagement survey every two years • Meetings at local offices • Leadership of communities (experts, managers, interns) • High quality dialogue with employee representatives • Organisation of road shows and live chats with management
Candidates	The shortage of qualified engineers makes it all the more important to make Assystem an attractive employer brand. Attracting, hiring and integrating talent is crucial to support our business growth and our clients' projects.	• Motivating projects • Career paths and development opportunities • High quality work life and attractiveness (pride in their employer) • Social engagement and values	• Presence on engineering school campuses and sponsoring partnerships with target schools • Social media presence and presence on job boards • Organisation of hiring events (Incrediblengineers) • Employee referral programme • Media plan and media relations (employer brand)

3.1.4 IDENTIFICATION OF NON-FINANCIAL CHALLENGES AND RISKS

3.1.4.1 Identification, analysis and qualification of non-financial challenges and risks

In a constantly changing international environment, pro-active risk management is key to ensuring our businesses' development. We are exposed to risks that may have a material adverse effect on the Group, its business, financial position, results or outlook, as explained in Chapter 2 of this Universal Registration Document.

The exercise to identify non-financial challenges, risks and opportunities launched in 2018 was extended in 2019 to include additional analyses of our businesses' financial, social and environmental consequences.

The heads of the business units and corporate departments were interviewed in order to complete the original analysis and retain only the most relevant challenges and risks. These were initially defined according to their impact on business continuity, the Group's reputation and image, and its resources and environment, and then by reference to their importance for the main stakeholders concerned.

The process led to the identification of the ten most critical challenges for the Group. Seven of these concern material non-financial risks.

3.1.4.2 Basis of the Corporate Social Responsibility (CSR) strategy

Our CSR strategy is organised around four pillars that support our business strategy and ambitions: to be a responsible employer, to be an ethical market player, to create value for clients and society, and to contribute to energy transition through our businesses. These pillars are rolled down into the ten most critical challenges referred to above.

3.1.4.3 Main non-financial risks

The risks identified as being material are as follows:

Challenge	Related risks and impacts	KPI/Measures taken
Attractiveness and talent retention	Difficulty of attracting and retaining employees in a dynamic and competitive business sector • Inability to acquire the skills needed to accompany the development of new markets, due to the lack of qualified candidates and the strong demand for these skills • Failure to integrate/develop the necessary competencies and deploy the managerial resources required to support the Group in its international development and medium-term growth • Loss of critical skills • Employee disengagement	• Number of new hires • Staff turnover rate (resignations)
Skills mismatch	Mismatch between available skill sets and the needs arising from the changing engineering profession and the Group's growing international reach • Inability to partner the development of new markets due to lack of resources and/or a mismatch between available skill sets and those needed by the Group	• Investment in training as a% of total payroll • Number of employees trained during the year
Employee health and safety	Absence of a health and safety culture, ineffective practices to create and guarantee safe working conditions in compliance with H&S laws • Damage to employees' physical or mental health • Impaired working conditions and higher work-related accident and absentee rates • Impaired client safety performance	• Occupational accident frequency rate for the year
Preventing bribery and corruption and influence peddling (ABC)	Breach of competition laws, instances of bribery and corruption • Reputational damage • Destabilisation of the Group and its management • Financial losses	• Preventive and control procedures (% of Group subsidiaries)
Client satisfaction	Impaired service quality and client relations • Impaired image and reputation • Difficulty of attracting and retaining clients	• Client satisfaction rate
Data security	Absence of a data protection culture, ineffective practices or systems to protect the integrity of data given to or managed by the Group • Sensitive client or internal data compromised or leaked • Information system failures due to cyber-crime • Loss of confidence on the part of clients, essential operators and supervisory authorities	• Continuous adjustment of preventive resources and procedures
Nuclear safety	Possible inability to honour engineering commitments, affecting the ability of a nuclear power plant's operator to achieve, comply with or maintain the plant's safety performance. • Loss of confidence among clients and safety authorities • Interruption of client operations • Damage to health, safety and protected interests	• Number of events reported to a nuclear safety authority for which Assystem is declared responsible • % of employees exposed to radiation levels that are greater than one-tenth of the maximum permissible amounts

Significant events in 2019

Assystem's CSR strategy is regularly assessed by outside organisations at the request of clients. One such organisation is EcoVadis, which awarded Assystem Gold status in 2019, placing us in the top 5% of companies in terms of sustainability rating. And we are in the top 1% for our action in the areas of social dynamics and human resources policy.

In 2019, the Gaia SRI rating service for investors awarded Assystem a score of 71/100 for 2018. This was significantly above the average scores obtained by the reference peer group (58/100) and the total reference group of companies with revenues of between €150 million and €500 million (56/100). Each year, Gaia publishes the list of the top 70 French companies in terms of social and environmental performance and governance. Since we joined the reference group, we have moved steadily up the rankings thanks to our record of continuous improvement over the past three years.

3.2 OPERATIONAL MANAGEMENT OF NON-FINANCIAL RISKS

3.2.1 A RESPONSIBLE EMPLOYER

We are convinced that our teams' enthusiasm, creativeness and perseverance are instrumental in making us more competitive. Assystem's 6,000 employees are the Group's lifeblood and its most valuable resource. The success and growth of our business depends on our ability to nurture diverse profiles, experiences and personalities, attract and retain talent, and propose bespoke induction, training and career development programmes. It also depends on our offering high quality working conditions that promote wellness and a supportive environment, and implementing a human resources policy that upholds employees' rights and guarantees their protection.

3.2.1.1 Committed to diversity

Combating all forms of discrimination is one of the Group's core values. We endeavour to create an inclusive environment and to promote diversity as a driver of performance. The aim is to respond to client expectations by reflecting their social norms and codes, as well as their multicultural environment, while enabling the women and men who make up our corporate community to express their talents. Our commitments are set out in writing in the Diversity Charter signed in 2018, which consolidates our policy of promoting diversity through our hiring, employee development and career management programmes and our initiatives to raise management awareness of these issues.

3.2.1.1.1 GENDER BALANCE

We firmly believe that diverse profiles add to the collective intelligence available within the organisation to drive competitive advantage. This is the reason for our long-standing commitment to actively promoting gender balance and equality.

3.2.1.1.1.1 Policies and commitments

We have addressed this issue by qualifying it as a priority human resources challenge. Since 2010, we have followed an assertive human resources policy focused on hiring and retaining women, and giving them the opportunity to take up management positions. The policy has been given shape with the Incredible Women programme. This programme is based on a strategy of continuous progress and is closely monitored by Group executive management, who are committed to walking the talk.

Assystem has endorsed the UN Women's Empowerment Principles (WEPs), in a formal reaffirmation of our commitment to achieving SDG 5.

3.2.1.1.1.2 Practices and action plans

We have set up a dedicated organisation to help women push the limits. A Gender Balance Committee validates our strategies in this area. A project team is responsible for the programme's operational management, supported by a network of correspondents who deploy the programme in the various Group entities. And a two-pronged gender balance strategy has been adopted:

Hiring and awareness-raising

The engineering profession traditionally attracts more men than women, who are generally less likely to choose a career in science. This is borne out by the fact that, on average, women make up only 20% of engineering school graduates. The challenge for us is to go out and meet the young generations in order to change mentalities and combat stereotyping.

Many communication tools are used to highlight the position of women in our workforce and improve the gender balance. For example, women candidates are targeted through specific hiring events, we participate in women-led forums and debates, a dedicated community has been set up on our internal social network, an internal newsletter has been created and we also sponsor women's sports events.

In terms of hiring, we have set ourselves the challenge of 40% of new hires to be women in the near future (versus 31% in 2019 and 7% in 2010).

Retaining women by encouraging their promotion within the organisation

We have developed initiatives to help women take on additional responsibilities, including mentoring plans, lunch & learn coaching sessions, female leadership and self-marketing courses and conferences featuring female role models. Networking is still a hot topic, as reflected in the popularity of our internal Incredible Women network dedicated to promoting the position of women inside and outside the organisation. The network has proven very popular among employees and is now being deployed internationally.

Our aim is for women to represent over 30% of the workforce in the near future. In 2019, the proportion was already 28% versus only 17% in 2010.

The biggest challenge, however, is to break the glass ceiling and raise the proportion of women managers to 30%.

While actively pursuing our gender balance policy in France, during 2019 we extended our action to the United Kingdom, Belgium and the Kingdom of Saudi Arabia, through training campaigns for management teams in the hiring of women and other initiatives.

Significant events in 2019

In 2019, Assystem Engineering & Operation Services obtained a gender equality index score of 87/100. Set up in 2018 in application of the French law to promote freedom of choice of professional future, this index is calculated annually based on four or five indicators depending on the size of the organisation: compensation, pay rises, promotions, maternity leave and top management gender balance. The index is published and reported to the authorities.

The "Live my Life" initiative open to members of the Incredible Women network offers women the opportunity to spend a day alongside a manager in order to get an idea of what it would be like to hold certain positions.

The round-table discussion on the topic of "Women who are pushing the limits" organised in France in November 2019, aimed to legitimise women's ambitions and inspire them to pursue a career in management. The event was an opportunity for participants to learn first-hand about the experiences of Colonel Karine Le Jeune, commander of the Essonne gendarme unit, and Aline des Cloizeaux, Vice Chair of WIN France and Project Director. Women like them holding high-level operational positions serve as role models who help women to imagine the type of career they could have within Assystem.

3.2.1.1.2 DISABILITY

By creating a Mission Handicap disability support unit thirteen years ago, we played a pioneering role in this area. Disabled employment has been embedded in our corporate culture and DNA through the signature of various agreements in favour of this category of employees. In 2019, we signed our third three-year agreement (2019-2022) on the employment of people with disabilities. The Mission Handicap unit has achieved promising results as the cornerstone of a continuous progress strategy shared and recognised by all employees.

The following initiatives have been deployed with the support of a network of disability correspondents:

- hiring and integration: employees with disabilities currently represent 2% of the total workforce;
- skill-building: employees registered as disabled and other employees with disabilities who are taking part in initial or ongoing training are helped to improve their skills through our sponsorship programmes with specialised schools;
- regular information, awareness-raising and training: initiatives targeting both managers and employees;
- outsourcing to sheltered workshops;
- technological innovation: our Innovation unit is working on the Handroide project to develop a prototype wheelchair and mobility aid.

3.2.1.2 Develop the employer brand and retain talent

We are pursuing a strategy based on a combination of organic growth and acquisitions. Hiring talent is one of the cornerstones of this strategy. The ability to pick out, attract and retain the best talents is a strategic imperative in a hyper-competitive market.

3.2.1.2.1 PERFORMANCE INDICATORS

	Target	2019	2018	Change
Staff turnover rate (resignations)	15%	14.6%	14.9%	→
Number of new hires	> 1,500	1,573	1,617	→

The boundary for this indicator covers all Group entities apart from INSIEMA and MPH Global Services and its subsidiaries; contractors in the United Kingdom are also excluded.

The rate of staff resignations remained under control in 2019 and in line with the observed average for companies with a similar business model. The rate tends to increase in periods when we have a very high volume of work, due to the resulting pressure on resources. The effectiveness of our talent retention policies and initiatives helps to limit the number of resignations, particularly among key people for whom the resignation rate is less than 7%.

Like 2018, last year was a period of rapid business growth, leading us to implement a major recruitment programme to keep pace with expanding demand and support our clients' projects in France and internationally. The sharp increase in employee numbers and business volumes was mainly attributable to the acquisitions carried out during the year. The results of the recruitment programme were satisfactory considering the shortage of candidates with the profiles sought by the Group. All told, the rate of new hires for the measurement boundary held firm compared with 2018.

3.2.1.2.2 POLICIES AND COMMITMENTS

As a responsible and committed employer, we deploy our teams' talents and skills on major engagements supporting our clients' international industrial projects. Employees are empowered to drive their own careers, and we promote a working environment in which each individual is encouraged to learn from his or her fellow team members, take on responsibilities and use their judgement.

Each year, we hire over 2,000 people worldwide (1,500 excluding INSIEMA and MPH-GS which take on large numbers of employees due to the nature of their businesses). It is therefore vital to adapt our hiring strategy by deploying new tools and practices and taking into account the changed expectations of candidates, especially young graduates and juniors. We have devised a long-term human resources strategy to attract, develop and retain talents.

Implementation of this strategy, which is fully embedded in our business strategy, ensures that our human resources and skillsets are aligned with the Group's growth objectives.

3.2.1.2.3 PRACTICES AND ACTION PLANS

Attracting talent

Some sixty people are dedicated exclusively to the hiring process. The people responsible for sourcing and hiring talent work closely with the management of the various business units and subsidiaries. Dedicated teams are responsible for hiring executives for senior management positions and/or recognised experts. Many initiatives are organised each year to attract talent.

Candidates introduced to Assystem by Group employees who went to the same school or university accounted for 25% of new hires last year. This high rate attests to the engagement of our employees, who act as powerful ambassadors for the Group. The advantages for Assystem are clear: the hiring process is simpler and less costly, and there is also a lower risk of selecting the wrong profile. We launch regular internal campaigns to keep these candidatures flowing in.

Job boards are the second largest source of candidates, followed by ads placed on the career pages of newspapers and magazines (11%). We have also increased our visibility on social media, which generated around 10% of new hires in 2018. LinkedIn, for example, has become an essential hiring tool when it comes to attracting increasingly mobile and connected candidates.

The Assystem employer brand is protected by paying close attention to the way the Group is presented by the people responsible for hiring. Conferences and breakfast meetings are organised to help them gain a good understanding of energy transition challenges, which are likely to strike a chord with the young generation. For Assystem's teams, the challenge is to clearly explain how the Group is contributing to carbon-free energy production.

Once again in 2019, one of the pillars of our human resources strategy was the hiring of more women. Communication campaigns to convince women that by joining Assystem they will have the opportunity to flourish in a supportive professional environment were pursued with conviction and success.

Retaining talent

We have developed an assertive induction and retention strategy, holding firm to our commitment to training and passing on knowledge and expertise to the young generation. New hires are supported through induction programmes and career development plans.

<u>A winning career path for very high potential engineering graduates</u>

In 2017, we launched our Graduate Programme designed to prepare young talents for management responsibilities. The programme targets both young graduates and juniors. Organised in several rotations including an international one, the three-year programme enables participants to discover the Group's different activities. Supported and mentored by a member of the Executive Committee, the graduates have the opportunity to work on the largest engagements.

<u>A specific system dedicated to key talents</u>

Identifying and retaining high-flyers is an important challenge in the engineering sector where talent is in short supply. Three key talent categories have been defined: key position (management, technical, sales), key contributor (critical and important know-how) and key potential (young talents lined up for executive management positions in the medium-to-long term). These profiles are monitored by our French and international HR teams using processes such as talent reviews and Career Committees. The objective is to proactively offer support and development opportunities in the shape of bespoke programmes (training, career plans). In parallel, a Talent Management programme has been developed for key people (around 200), in order to support their career and skills development. The objective is to help them move into positions where they can make a significant contribution.

<u>An induction programme for all new hires</u>

An induction programme has been set up to ensure that new hires settle easily into their new job and find their feet within the organisation.

<u>An assertive strategy to attract interns and employees under work-study contracts</u>

A major campaign has been launched to attract young people interested in an internship, a work-study contract or an apprenticeship, as part of our drive to enhance their employability. The chosen candidates follow the Incredible Start programme and are invited to participate in a team-based collaborative innovation competition. A total of 137 interns and employees on work-study contracts took part in this programme in 2019.

<u>Preferred relations with engineering schools</u>

Our relations with engineering schools are central to our strategy for hiring and retaining the best talents. Our investment in this area also embellishes our employer brand and contributes to the Group's attractiveness. A dedicated team of Campus Managers and ambassadors visits the schools to help the community to flourish. We have established partnerships with several target schools such as INSA (Lyon and Rouen), INSTIN, ENSEM, Arts et Métiers Paris Tech and IMT Atlantique. The most recent partnership is with PHELMA (Grenoble INP), which joined the system in 2019.

These partnerships fulfil three objectives:

- strengthen the Group's reputation, proximity and attractiveness vis à vis the schools through expert presentations in the various faculties and during certain courses that enable students to discover the various disciplines and job opportunities at Assystem;
- create bridges between the schools and the Company, participate in on-campus career fairs and give students opportunities to work on case studies or innovative research topics;
- facilitate the hiring of young graduates, interns and apprentices.

Significant events in 2019

Following on from the communication campaign rolled out in 2018 in France, Belgium and Switzerland, in 2019 we launched our Incrediblengineers campaign, designed to raise the profile of our engineers and recognise their contribution to major social challenges, in the United Kingdom and the Middle East.

Also in 2019, we began partnering "Nos quartiers ont du talent", a non-profit organisation set up to showcase the talent of over 600 local businesses, by signing two partnership agreements in Marseille and the Paris region. "Nos quartiers ont du talent" promotes equal opportunities by helping university graduates aged under 30 from disadvantaged neighbourhoods or poor families to achieve their employment or work-study goals or to set up in business. Under the terms of the partnership, seasoned managers or executives working at Assystem will offer personalised support to these young graduates in their search for a job or a work-study contract. The system helps us to broaden our recruitment horizons in France while also supporting our inclusive employment policy.

To promote the development of our corporate culture and DNA against a backdrop of strong business growth, both in France and internationally, our training programmes in management skills and the Leadership Model are structured to nurture personal qualities and core behaviours within the organisation. The last phase in the consolidation of these programmes in France was completed in 2019 and they were also duplicated by Group subsidiaries in the United Kingdom, the Kingdom of Saudi Arabia and Turkey. Plans are now being made to pursue a similar strategy for the deployment of a common managerial DNA across all Group businesses and entities.

3

3.2.1.3 Maintaining aligned skillsets

Ensuring that our skillsets are constantly aligned with market needs while also offering our teams varied and exciting career opportunities is a key factor in ensuring that we can successfully implement our strategy.

3.2.1.3.1 PERFORMANCE INDICATORS

	Target	2019	2018	Change
Investment in training as a % of total payroll	> 2%	3.39%	2.78%	↗
Proportion of employees trained during the year	> 50%	62.3%	57.5%	↗

The boundary for this indicator covers all Group entities apart from INSIEMA and MPH Global Services and its subsidiaries.

To support our business growth, international expansion and transition to digital engineering, we provided over 90,800 hours of training in 2019, an increase of 17.5% over the previous year. And this total does not include training on our e-learning platforms.

3.2.1.3.2 POLICIES AND COMMITMENTS

We are committed to raising the employability of all members of the Assystem community to the highest level and to providing them with individual support throughout their career with the Group.

The strategy aims to:

- promote the development and transmission of skills: our training roadmaps place employees in a learning environment rooted in innovation and experience sharing;
- promote staff mobility, which is a means of retaining employees, helping them to ramp up their skills and develop their employability.

The implementation of a human resources strategy that is embedded in our overall business strategy ensures that our HR programmes (Leadership Model, skills management, career development support) are aligned with our strategic goals and the needs of our clients.

3.2.1.3.3 PRACTICES AND ACTION PLANS

Skills development and transmission

In a changing environment, our ability to adjust our engineers' skills and expertise to match the needs of our business and keep pace with its international expansion is strategically important. Our training programmes meet this challenge by addressing three priorities:

<u>Align skillsets with changing markets and client needs</u>

To keep pace with changing markets, training plans are adjusted each year, based on the strategic and marketing roadmaps defined by the business units and subsidiaries. The plans' content is also regularly updated, particularly project management training.

<u>Develop a learning culture</u>

In today's knowledge economy, meeting our growth targets and keeping pace with developments in our professions depends on our ability to develop a learning community and promote a learning organisation. Flexible e-learning and digital learning solutions permit large-scale deployment of training modules. They also make it very easy for employees to follow their training roadmap and drive their own skills development. To keep pace with changing needs, we offer a diverse learning system combining personal and multi-modal solutions and formal and informal options.

Transmitting knowledge and expertise

The Assystem Institute federates the skills acquisition roadmaps for the various disciplines through three internal organisations, the Assystem Nuclear Institute, the Assystem Life Sciences Institute and the Assystem Connect Institute (cyber-security).

These specialised training institutes have three objectives:

- align the skills base with their specialist sector's requirements and identify clients' needs;
- identify and map available resources and skillsets (experts/trainers) to support development of the offer;
- update/realign the integration and specialisation training roadmaps based on feedback from front-line personnel and the Assystem communities of experts.

This organisation enables us to circulate knowledge and expertise more quickly between generations and also between sectors.

In addition, to capture the expertise of senior staff, we have set up a career management system that promotes the transmission of knowledge and expertise through a technical expertise unit which seniors (aged 45 and over) are invited to join. The expertise of these seasoned engineers provides an opportunity to leverage the Group's core competencies, especially in the nuclear sector. Some of them have acquired very valuable experience, having participated in the commissioning of all of France's nuclear power stations and worked on other nuclear projects throughout the world. As a result, they add real value to the transmission of nuclear knowledge and skills during initial training courses.

We undertake numerous initiatives to promote the transmission of skills between generations. Around thirty skills communities have been created to facilitate knowledge sharing. Tutoring, mentoring, coaching, sponsoring and buddy systems are also included in the arsenal used to transmit know-how and contribute to disseminating the Group's industrial expertise. At Assystem, we believe that capturing the full value of the expertise existing within the organisation is a valuable source of competitive differentiation.

Encouraging mobility

Mobility is inherent in our business. As one of the cornerstones of our human resources policy, mobility programmes support and promote the creation of bridges between disciplines and sectors, which are particularly valuable as our Group expands internationally. The large number and wide variety of French and international engagements conducted by our businesses offer a wealth of attractive and motivating career opportunities.

Mobility programmes cover four areas:

- geographic mobility in the home country;
- international mobility, which is growing rapidly across the Group's 15 host countries;
- sector mobility, to gain experience of all of our businesses;
- inter-discipline mobility, with a view to gaining the experience required to lead technical teams or manage projects.

Significant events in 2019

A finalist in the internal innovation competition, the EMOBY app matches the vacancies and skills gaps reported by managers with the job opportunities sought by employees. This efficient and user-friendly app enables employees to display, in a single click, the positions most closely aligned with their skills and the next rung on their career ladder, and provides managers with details of employees whose profiles closely match the needs of their projects. EMOBY will be developed in a two-step process:

- acquisition of more detailed information about available skills than that provided in CVs;
- creation of skills maps based on existing discipline databases.

In 2019, we stepped up our communication in this area by publishing mobility newsletters. We also enhanced our processes by designing a mobility roadmap that clearly sets out the stages in the process from the mobility request to the formal offer. The system has enabled some 400 employees to carry out their mobility project.

Lastly, 2019 saw the launch of the ETALENT platform where employees can post details of their mobility project. A six-member HR team then works on matching these projects with the available opportunities.

3.2.1.4 Making health and safety a priority

We believe that our employees' health, safety and security are a key source of competitive advantage. Our safety culture is an important driver of internal cohesion and it also helps us to maintain the confidence of our clients and partners.

3.2.1.4.1 PERFORMANCE INDICATOR

	Target	2019	2018	Change
Lost-time accident frequency rate	2.00	3.34	2.17	↗

The boundary for this indicator covers all Group entities apart from INSIEMA and MPH Global Services and its subsidiaries.

Last year saw an increase in the number of work-related accidents, particularly in France. Happily, this had no impact on the severity rate, which fell by 50%, or the absentee rate, which stood at 3.48%. Nevertheless, it highlights the need for greater efforts in the area of employee safety to bring Assystem into line with international standards.

3.2.1.4.2 POLICIES AND COMMITMENTS

We are committed to guaranteeing safe working conditions for our employees, contractors and other stakeholders working in particularly sensitive nuclear environments and on major infrastructure projects in France and internationally. The equipment and resources made available to our teams comply with and, where possible, go beyond our obligations under the laws and regulations in force in our host countries.

It is our responsibility to prevent and manage health and safety risks at our own facilities and also at those of our clients. We have addressed this broad responsibility by drawing up a health and safety charter and setting up an occupational health and safety (OH&S) management system covering nearly all of our French and international sites.

Outside France, this focus on safety is backed by measures to prevent the risks that are specific to certain regions where we have operations. For example, additional measures are taken to address the hazards of working in hostile environments (e.g. extreme heat and wild animals in desert areas). In regions affected by complex geopolitical situations, we deploy specific measures to protect employees called on to enter high risk areas or conflict zones (risk of kidnapping, attacks)

3.2.1.4.3 PRACTICES AND ACTION PLANS

The Group's health and safety culture is based on a continuous improvement process covering four key areas:

Prevent and reduce major physical and psychosocial risks

Assystem is an engineering company and its exposure to the risk of serious accidents is therefore limited. Physical risks mainly concern slipping and falling (41% of accidents), road accidents (22%), dizziness (16%), and occupational technical gestures and the work environment (12%).

We have a long-standing proactive strategy for preventing psychosocial risks and management is keenly aware of situations that could make employees feel vulnerable or experience a loss of confidence. The duty of care network comprising all interested parties (employee representatives, occupational health physicians, management and human resources professionals) helps to identify, support and monitor employees classified as "at risk" or who have become vulnerable following an adverse life event.

Involve middle management in the risk management process

We ensure that line managers and supervisors are warned of the risks associated with certain jobs. The risks mainly concern the required skills and expertise, which are developed through external training programmes leading to recognised qualifications. In 2019, over 39,400 hours of training were provided. Controls are based on a comprehensive quality assurance system and involve site safety inspections (with over 550 inspections carried out in 2019) and internal or external audits, some of which are performed by clients.

Raise employees' awareness of health and safety risks through training

In 2019, taking advantage of the deployment of a digital training policy using e-learning tools, we launched a programme to digitalise our safety awareness training courses and modules. This solution enabled us to provide initial safety-awareness training to over 90% of new hires in France in 2019 (around 900 people), as soon as they joined the organisation.

In addition, 43% of employees took part in the 1,200 live chats on safety issues organised during the year. These sessions are one of the highlights of our health and safety policy, helping us to directly communicate, share and raise awareness of the specific health and safety risks faced by each individual employee. This example of management and employee appropriation of health and safety issues reflects a shared commitment to risk prevention.

Develop a culture of learning by experience

Learning by experience and through continuous improvement is an integral part of the Assystem health and safety strategy. Risks identified by front-line employees are reported using the eASY digital app and integrated in the information system. A total of 350 reports were recorded in 2019, 16% more than the previous year, but the figure is still low given the size of the Group and this represents an area for improvement in 2020. The data are analysed and discussed during monthly steering Committee meetings. The aim is to lead a dynamic risk reporting process at the Group's various facilities, and to share best practices and the feedback received from front-line employees.

Continuing the certification programmes launched in 2018, the programme to align the health and safety management system with ISO 45001:2018 was stepped up in 2019. After Assystem Engineering and Operation Services (France) led the way, Envy (Turkey) and Radicon (Kingdom of Saudi Arabia) also obtained ISO 45001:2018 certification in 2019. This alignment programme will be pursued in 2020, with the ultimate aim of all the main subsidiaries having aligned and certified safety management systems. At present, entities employing 85% of the Group's workforce have ISO 45001, OHSAS18001 or MASE certification.

The ISO 45001:2018 certification process led us to take the following measures:

- extended governance. Health and safety in all its aspects – technical, legal, environmental and cultural – has become an integral and essential part of our operations management processes. The strategy aims to improve performance and risk prevention as close as possible to where the risks occur. Its integration in management processes led us to expand the existing organisation by appointing a Health & Safety Officer responsible for leading the strategy's operational aspects in each business unit or entity;
- stakeholder identification and consultation. Another change has been to take the organisation's ecosystem into account when determining health and safety risks. The aim is to increase the contribution of all stakeholders (managers, employees, suppliers, partners, employee representatives) to the definition of measures to manage and prevent safety risks and improve workplace wellness;
- increased internal communication. An internal health and safety social network has been set up featuring regular posts describing best safety practices and reporting situations and events experienced by employees when their safety was put at risk;

In parallel with this initiative, in 2019 we launched the Ourway programme to keep pace with the Group's expanded international reach by promoting adoption of standard practices in all host countries. A health and safety alignment process is being developed and will be deployed in 2020.

Significant events in 2019

In Egypt, where we are working on a nuclear power plant project, we have begun developing an integrated health, safety and environmental management system (HSEMS).

In the Kingdom of Saudi Arabia, where our teams spent over 205,000 hours working on the KA Care project in 2019, we handed out certificates recognising all the project contributors' good HSE performance.

In Turkey, we pay particular attention to the HSE issues affecting the teams who are working on our behalf on the Akkuyu nuclear power plant project. To bring about a cultural change and encourage compliance with HSE guidelines and standards, we have organised brainstorming workshops involving local stakeholders. This collaborative approach is aimed at improving the project's overall safety performance.

3.2.1.5 Guarantee a high quality human resources policy

HR indicators - snapshot of employees

	Target	2019	2018	Change
Total Group employees, including:		5,993	5,608	↗
• Europe		4,707	4,301	↗
• Middle East		939	996	↘
• Asia		262	194	↗
• Africa		40	75	↘
• Pacific		45	42	→
% of women at 31 December	30%	27%	27%	→
% of seniors[1] at 31 December	n.a.	27%	25%	↗
% of employees with disabilities at 31 December (France boundary only)	n.a.	2%	2%	→

(1) Employees aged 45 and over.

The boundary for this indicator covers all Group entities; contractors in the United Kingdom are excluded.

3.2.1.5.1 SOCIAL DIALOGUE

Social dialogue is considered to be a driver of performance and employee buy-in for corporate goals. As such, it is a powerful component of Assystem's corporate identity. We work hard to maintain smooth communications between management, elected employee representatives, the trade unions and employees.

The members of management conduct regular negotiations, consultations and discussions with employee representatives on issues concerning the Group's business and financial challenges. The topics may vary depending on the entity, but some concern the whole Group, such as financial and organisational challenges, gender equality, health and safety, working hours and conditions, and compensation.

The Group Committee chaired by the Senior Vice-President, Human Resources, currently has nine members whose appointments were renewed in 2018. The Committee meets once a year to discuss all of the Group's businesses. The meetings are an opportunity for elected employee representatives to hold discussions with Group management and obtain insight about the Group's strategy, its business and financial position, and the changes in its human resources needs.

In France, each Group entity has its own Social and Economic Committee, which has replaced the works council as the body representing employees.

Overview of collective agreements signed, amended or extended in 2019 in France by Group entities, excluding INSIEMA and MPH Global Services and its subsidiaries:

Topic covered by the agreement	Number of agreements signed in 2019
Compensation	1
Social dialogue	2
Pre-electoral agreement	3
Working hours	1
Skills management and transmission	1

Some of these agreements contribute to managing the non-financial risks discussed in this Universal Registration Document. Examples include the gender equality agreement, the agreement concerning employees with disabilities, the agreement on home-working, the agreement on the right to disconnect and the human resources planning and development (GPEC) agreement.

3.2.1.5.2 WORKPLACE WELLNESS

We are committed to offering our employees a safe, respectful and pleasant working environment.

Our quality of work life initiatives cover three areas: improving work/life balance, preventing discrimination and promoting flexible working arrangements.

Improving work/life balance

The Work/Life Balance Charter signed in France in 2012 has been strengthened with the signature of several new collective agreements (see Section 3.2.1.5.1) on the right to disconnect (signed in 2017), on home-working in support of a better work/life balance, and on the reorganisation and reduction of working hours.

In parallel, we have proposed initiatives that strengthen the agreements' application. These include training in how to manage the work/life balance, and a guide for working parents.

Fighting discrimination

Fighting discrimination and promoting diversity are central to our human resources policy. The gender equality agreement and the collective agreements in France on the employment of people with disabilities are just two examples of how we address these issues.

Flexible working hours

Several agreements have been signed to support the development of home-working throughout the Group. The aim is to give employees more flexibility and independence when it comes to organising their working hours. As well as reducing stress and tiredness, this solution is also a factor of social inclusion, by making it easier to employ people with disabilities or suffering from a chronic illness.

For engineers who have finished one engagement and are waiting for a new one to begin, the period on the bench is an opportunity to explore other fields of knowledge. We propose an innovative solution to enable them to take advantage of this opportunity. Innovation is part of Assystem's DNA and we actively promote this culture within the organisation and through specific programmes. To stimulate team creativeness, engineers who are on the bench are invited to join the R&D unit and work on ground-breaking technological solutions such as the use of 3-D Building Information Modelling (BIM) in engineering projects.

They can also devote the time to community outreach initiatives, such as the Handroide exoskeleton project to develop a wheelchair that enables people with reduced mobility to pass obstacles more easily, thereby facilitating their access to industrial sites.

To ensure that all of these measures contribute to employees' wellness and ultimately strengthen their engagement, we conduct an engagement survey every two years. The resulting action plans are implemented in all entities and are monitored by Group executive management.

New Assystem for Me hotline in France

In 2019, we teamed up with the April insurance group to launch the Assystem for Me programme, giving employees access to teams of doctors, social workers, psychologists and assistance providers who offer help with administrative, legal, welfare and family matters as well as psychological support whenever they need it. The service, which is available 24/7, enables employees to receive immediate psychological assistance after an emotional trauma or stressful situation, or if they need support for stressful professional issues. The hotline is anonymous and confidential.

3.2.1.5.3 PROTECTING PERSONAL DATA – GDPR

We have implemented procedures and processes to ensure full compliance with the General Data Protection Regulation (GDPR). The identified risks mainly concern the processing of personal data relating to employees and candidates.

The human resources, hiring and mobility departments have implemented specific GDPR-compliance measures. Information notices or consent requests have been added to mobility files and are systematically used during the candidate hiring process, as well as being posted on the Group's website. Employees in these departments have been made specifically aware of data protection issues.

Since our business is primarily BtoB, the protection of clients' personal data is not an issue. However, we have appointed a Data Protection Officer for our only BtoC business (INSIEMA).

3.2.1.5.4 COMPENSATION POLICY

We follow a merit and performance-based compensation policy designed to attract and retain the best talents. Compensation and benefits packages are structured to reward personal investment while also giving significant weight to collective performance. Each year, employees in France receive a document providing detailed information about their personal compensation package.

In addition to their contractual fixed salary, certain employees may receive variable compensation, as follows:

- managers, experts and sales and marketing staff participate in a bonus plan entitling them to an annual bonus based on personal and collective objectives;
- employees may be awarded a performance-based bonus by their manager, as a reward for their hard work, good results or special efforts.

Collective compensation

In France, statutory profit-sharing schemes have been set up at Assystem Engineering and Operation Services and Assystem Care France, under which, if payments are made out of the special profit-sharing reserve as allowed by law, they are shared equally among employees who are present throughout the year and on a prorated basis to employees present during only part of the year.

Employee benefits

Employee benefit plans vary from one country to another, based on local laws and regulations, particularly tax laws. We therefore follow a specific policy in each country. However, employees in all countries are covered by medical insurance.

In France (74% of Group employees), part of employees' health and death/disability insurance costs is paid by the Group and we also provide funding for the Social and Economic Committees' activities for the benefit of employees.

In Belgium, the high-quality health insurance plan offered to employees is a valuable benefit that can tip the balance in Assystem's favour in the competitive job market.

Employees in all countries are offered health and death/disability insurance.

Equal pay

Our engagement in favour of gender equality is reflected in our pay policy. Specific indicators comparing men's and women's average salaries by category and starting salaries for equivalent positions are used to identify any gender pay gaps. The equal pay commitments are set out in a specific agreement that was rolled over in 2018.

3.2.2 AN ETHICAL MARKET PLAYER

We are convinced that high quality governance helps to drive business performance. For this reason, we have made commitments and set up an organisation that respond to our standards in terms of respect for human rights and the management and control of ethics risks.

These standards now extend to the protection of data given to us by clients in connection with contracts. We have developed an efficient information management system to ensure that this data is protected.

3.2.2.1 Respecting human rights

In 2011, Assystem pledged to uphold the UN Global Compact which sets out ten universal principles covering human rights, labour, the environment and anti-corruption measures.

The Group applies the conventions of the International Labour Organisation (ILO). We have affirmed our commitment to complying and to ensuring that our employees and stakeholders in our businesses comply with the ILO's Declaration on Fundamental Principles and Rights at Work and its fundamental conventions on freedom of association and collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.

3.2.2.2 Preventing corruption and influence peddling

3.2.2.2.1 PERFORMANCE INDICATOR

	Target	2019	2018	Change
Risk analysis coverage (% of Group subsidiaries)	100%	100%	100%	→

The boundary for this indicator covers all Group entities

The 2018 risk analysis was completed by due diligence reviews for each business acquisition carried out in 2019 and each joint venture created during the year.

3.2.2.2.2 POLICIES AND COMMITMENTS

We conduct our business ethically and with integrity, in compliance with the applicable laws in our host countries. Employing fair business practices is one of our key priorities.

We apply a zero-tolerance policy towards all forms of bribery and corruption and information peddling. The related risks, policies, commitments and measures are described in Chapter 2, Section 2.2.8, of this Universal Registration Document.

3.2.2.3 Limiting tax evasion risks

We have not set up any vehicles, organisations or mechanisms for the purpose of transferring profits to low-tax jurisdictions. The effective tax rate paid by the Group consistently stands at over 20%, which is close to the weighted average of the tax rates applicable in France and our other host countries on the contributions to consolidated profit of our operations in these countries. Our foreign entities that receive services from and/or are owned by French entities pay management fees and dividends (to the extent possible) to the French entities.

3.2.2.4 Protecting business-related information

3.2.2.4.1 PERFORMANCE INDICATOR

No quantitative performance indicator is disclosed concerning the protection of business-related information due to the sensitive nature of such disclosures, the fears the disclosures may generate, their possible impact on the markets, on customers and competitors, and the risk of the disclosures being used by hackers.

3.2.2.4.2 POLICIES AND COMMITMENTS

Information systems security is a strategic challenge for Assystem. Due to the nature of our businesses in the energy and infrastructure sectors, we have many clients that are considered by national governments as essential operators. These clients constitute a preferred target and are particularly at risk of cyber-attacks. For this reason, these operators are the subject of closer supervision by the authorities who issue many recommendations applicable not only by the operators but also by their partners.

With our businesses' shift towards digital engineering, our international expansion and the increasingly critical nature of the data that we hold, our Group is becoming a potential target of cyber-attacks such as hacking and data theft. To address these new risks, we have strengthened our information systems security strategy.

Our policies and commitments in this regard aim to:

- bolster the security of our infrastructure, buildings and sites;
- optimise information systems security to avoid sensitive client or internal data being compromised or leaked and prevent our systems being put out of action due to a cyber-attack;
- provide awareness-raising and other training to employees in order to instil a data security culture and practices that protect the integrity of the data entrusted to us or that we manage.

3.2.2.4.3 PRACTICES AND ACTION PLANS

In 2018, our information systems infrastructure was still shared with Expleo Group and was operated by Expleo Group on a decentralised basis under an agreement negotiated in 2017 when we sold our former GPS division. Last year, we took back ownership of the infrastructure and launched the Rivage project to toughen our IT infrastructure and systems security in order to thwart the growing number of cyber-attacks faced by engineering firms. The project was carried out with the assistance of experts in this field, including France's national cyber-security agency (ANSSI).

In parallel with the Rivage project, we revisited our management system and prepared a General Information Systems Security Plan (GISSP) to support the Group-wide deployment of the related measures. Information system identity and access management protocols were redefined, and strict control procedures were introduced. Lastly, access to restricted client areas (engineering platforms and secure sites installed on Group premises) is strictly controlled in line with clients' security policies.

A graduated approach to risk has been introduced in the GISSP, linked to the criticality of the data used for client projects. This approach enables projects to be ranked from standard to highly sensitive, with even standard projects subject to substantial protections. Our main operating entities deploy the most appropriate technical and organisational measures and procedures to protect the data entrusted to them by clients and partners.

The main changes introduced in the GISSP are covered by an e-learning programme and are the subject of an awareness-raising campaign targeting all Group employees, especially new hires.

Our organisation structure is both global and local, allowing us to address these systems security challenges at a strategic and an operational level: For sensitive contracts that are considered by national governments as being in their country's strategic interests, we have a local IT Security Officer and Correspondent responsible for defining, deploying and overseeing compliance with local data protection requirements in connection with the contract.

Added to this, we leverage the expertise and know-how of our industrial cyber-security experts to build architectures, networks, communication vectors and solutions fulfilling our clients' needs in terms of the security of their plants' computer systems.

3.2.3 CREATING VALUE FOR CLIENTS AND SOCIETY

Our performance is rooted in our ability to create value for clients and for society as a whole. This ambition is shaped by three challenges, digitalisation, nuclear safety and client satisfaction.

To give clients the benefit of our best practices, we have firmly embraced digital engineering technology. We consider that this technology represents a powerful project accelerator and innovation driver that allows us to transform power plants and reconcile potentially conflicting financial, environmental and social considerations.

Nuclear safety represents a major challenge for the Group. By contributing to the development of the nuclear industry, we are helping to promote an affordable national and international carbon-free energy source.

To guarantee the lasting satisfaction of our nuclear clients, we offer them our teams' diverse skillsets, our expertise and our ability to deliver projects meeting the highest quality standards.

3.2.3.1 Working towards digital engineering

The engineering sector is experiencing a period of unprecedented change driven by the digital revolution. Digital innovation and transformation are changing partnership dynamics and our clients' business logic. Engineering disciplines and expertise are evolving with the emergence of more collaborative working methods involving multi-disciplinary and international teams.

After deploying an initial programme to take our methods and practices digital (Imagine programme), we embarked on a new phase in 2019 with the launch of the Engineering Powered By Digital programme to make digital engineering one of the pillars of our service offer. The related measures, organisation and initiatives are described in Chapter 1, Section 1.4.1 "An innovative and digital group" of this Universal Registration Document.

3.2.3.2 Considering nuclear safety as essential

For Assystem, nuclear safety risk is the risk of being unable to fulfil our commitments as an engineering firm, because this would affect our clients' ability to achieve, comply with or maintain their plant's safety performance.

3.2.3.2.1 PERFORMANCE INDICATORS

	Target	2019	2018	Change
Events reported to a nuclear safety authority for which Assystem is declared responsible (INES scale)	0	0	0	→
% of employees exposed to radiation levels greater than one-tenth of the maximum permissible amounts.	< 5%	0.81%	0.15%	↗

The boundary for this indicator covers all Group entities concerned.

In 2019, Assystem was not subject to any claims of responsibility for any safety event or incident involving any nuclear power plant operated by a client.

Radiation exposure levels remained under control. Although the proportion of employees exposed to radiation levels in excess of one-tenth of the permissible amount increased significantly in 2019, it remained considerably below our target of a maximum of 5% of employees monitored for radiation exposure (742 employees in 2019, representing 12% of the total workforce). The observed increase concerned fuel cycle activities in France and was due to a change in the type of services provided. These activities therefore represent the main focus of our radiation monitoring activities.

3.2.3.2.2 POLICIES AND COMMITMENTS

We consider nuclear safety as a key driver of future growth. Historically, our business was focused on nuclear plant commissioning activities, but the business now includes technical design, operations support, maintenance planning and decommissioning. This expansion of our service offer, combined with the more exacting standards imposed by our clients and the nuclear safety authorities, have led us to adopt an assertive and ambitious strategy to strengthen our nuclear risk management systems.

Nuclear safety is recognised as being a priority concern for the Group. Our policies, procedures and initiatives in this area aim to:

- promote the development of a common nuclear safety culture based on International Atomic Energy Agency (IAEA) guidelines;
- ensure a high degree of management involvement at all levels, with rolled down rigour, control and duty of care objectives;
- develop a continuous improvement culture, based on the involvement of all members of the organisation and guidelines that ensure compliance with local regulations and the plant operators' standards;
- maintain high internal and external expectations in these areas, in order to promote an exemplary nuclear safety culture.

This overall approach to nuclear safety is designed to guarantee that the concerns of stakeholders (including Assystem and its partners) about the nuclear safety culture of operators and other clients are always taken into account. These principles apply to all types of project and business and to all of the Group's host countries.

The Risk Management Director reports to the Senior Vice-President, Nuclear, to whom he submits annual reports on the management of nuclear risks. The published report is also available to all interested parties. He is the main contact for clients, the authorities and third parties for all nuclear safety matters and also represents Assystem with regard to these matters.

3.2.3.2.3 PRACTICES AND ACTION PLANS

Nuclear safety management requirements primarily concern engineering activities. This is not only due to the fact that engineering processes require considerable expertise, it is also a reflection of high level safety performance these activities have to deliver. Nuclear operators impose increasingly strict standards on their engineering service providers because of their own obligations towards the nuclear safety authorities to meet increasingly ambitious objectives in terms of risk and disamenity reduction.

Our methods, practices and know-how are developed and deployed to meet these standards.

• Nuclear safety in systems engineering

As an engineering firm focused on innovation and digitalisation, we are working on a digital approach to nuclear infrastructure based on data systems and models. This systems engineering approach is combined with a functional process approach, in which continuous improvement and compliance with nuclear safety requirements are essential, throughout the plant's life cycle. Nuclear safety occupies a special place in the systems engineering approach, with the requirements identified by safety analyses having an impact on all the disciplines involved. For example, systems engineering methods and processing of the related data contribute to improving the management of safety and compliance issues.

• Nuclear safety, at the centre of our processes and expertise

We are involved at all stages in the approach and our engagement concerns not only nuclear safety risk management and control issues but also the overall nuclear safety culture. Our involvement in risk management mainly consists of deploying the required skills and expertise. The skills and expertise are developed through the training provided by the Assystem Nuclear Institute (ANI) and by external training organisations leading to recognised qualifications. Controls are based on a comprehensive quality assurance system and involve internal or external audits, some of which are performed by clients. The nuclear safety culture is developed through a system of continuous improvement strongly rooted in quality assurance, safety and environmental protection principles. We make the greatest possible use of feedback and suggestions from employees, whatever their level of responsibility.

To accelerate the integration process, we decided to seek ISO 19443:2018 certification of the quality assurance system, based on the IAEA's GS-R standards. In addition, to respond to the constraints faced by international operators in these areas, we integrate in our own database feedback from the main operators and members of the worldwide nuclear safety industry, as expressed through specific standards such as ASME NQA-1.

• Protecting employees against nuclear risks

We have a duty to guarantee for our employees the highest level of protection against nuclear risks. This concerns not only radiological protection, but also operational development of the nuclear safety culture by paying constant attention to weak signals. In this regard, listening and maintaining a caring attitude are a continuous concern for management.

In response to the current changes in the market and the nature of our services, in 2019 we bolstered our radiological monitoring organisation for the entities the most at risk. In the United Kingdom, a radio-protection officer has been appointed. In France, the radio-protection unit has been strengthened with the creation of a dedicated pool of radio-protection advisors.

Managing nuclear risks ultimately extends from the very lowest level contacts with the teams up to Assystem's commitment as a member of the nuclear industry and its participation in learned societies whose purpose is to make the nuclear industry increasingly safe and, consequently, more acceptable in the eyes of public opinion.

Significant events in 2019

In Turkey, we signed a six-year contract with Rosatom for the supervision of the construction of facilities important to the nuclear safety of the Akkuyu nuclear power plant. Assystem will provide site inspection on all structures, systems and components important to such safety during construction and installation works ensuring it respects the nuclear safety regulation defined by the local authority, the Turkish Atomic Energy Authority (TAEK).

In the United Kingdom, we helped to prepare the complex safety file for the decommissioning of the THORP plant at the Sellafield site. Our teams participated in developing innovative new inspection techniques to accurately assess the status of nuclear waste and materials without exposing operatives to radiological risks. Also in the United Kingdom, as a member of the UK-SMR (Small Modular Reactor) consortium, Assystem will develop SMR systems design and engineering methodologies.

In France, as a member of the French Nuclear Industry Association (GIFEN) set up in 2018, we actively contributed to the work of its Nuclear Quality and Safety Commission. The Commission's aim is to promote the recognised role of safety and quality as drivers of value creation. It proposes initiatives to help develop a safety culture, with the ultimate aim of building confidence in the nuclear industry, its sustainability and attractiveness, while also ensuring that the industry remains competitive.

In 2019, Assystem joined the Nuclear Quality Standard Association (NQSA) set up in 2011 to promote adoption of a quality and safety culture throughout all nuclear industry supply chains. NQSA is currently turning its attention to promoting the application of ISO 19443: 2018. After becoming an NQSA member, we signed a cooperation agreement to establish a certification system under the aegis of NQSA. The certification process would be overseen by nuclear industry members (operators and equipment suppliers) based on application of the new international standard.

3.2.3.3 Acting to ensure lasting client satisfaction

We consider that client satisfaction is key to our business's sustainability. For this reason, we pay close attention to the quality of our client relationships and the quality of our services. Both of these factors contribute to enhancing the Group's image and reputation, helping us to attract and retain new clients.

3.2.3.3.1 PERFORMANCE INDICATOR

	Target	2019	2018	Change
Client satisfaction rate	90%	91%	89%	→

The boundary for this indicator corresponds to Group entities working in the nuclear sector.

This outcome is based on a survey of more than 600 nuclear industry clients in Europe. Based on 275 respondents selected at random, the confidence interval correlated with other satisfaction rates is 4.5% (94% EDF satisfaction rate based on service assessment forms), demonstrating our ability to meet clients' expectations by delivering high quality services. The resulting high client retention rate attests to our engagement and our strategy built on long-term client relationships.

3.2.3.3.2 POLICIES AND COMMITMENTS

We operate in sectors that set very high standards in terms of project management, service performance and skills assigned to the engagement. This is the case not only for nuclear industry clients but also for French and international infrastructure projects. We understand these expectations and conduct our business with a constant focus on delivering services that meet the highest quality and compliance standards.

We have set up an organisation (Technical Department, Projects and Quality Department), backed by quality management policies and systems aligned with the most exacting international standards, including Project Management Institute standards. A graduated approach is applied, depending on the projects' criticality. The system is adapted to meet the challenges and escalate monitoring to the appropriate decision-making level. Detailed indicators and tools ensure that we fulfil the commitments given in respect of projects and contracts.

3.2.3.3.3 Practices and action plans

Client satisfaction challenges are managed by:

- Listening to clients and their needs. The Group is geared to listening to clients and acting as a source of ideas, thanks to an agile, cross-functional marketing organisation focused on key accounts and the accurate overall vision of opportunities and needs provided by our CRM system.

  Client satisfaction levels are measured by means of an annual survey carried out by an independent partner. Over the last five years, over 1,000 clients in Europe – representing different levels in their respective organisations – have been asked for their opinion on our service performance. As well as rating our performance, respondents are asked for their qualitative assessment of Assystem's image and their perception of our service quality. Today, this represents an essential instrument for our dialogue with clients.
- Providing assurance of project delivery. Fulfilling our delivery commitments is part of our corporate DNA. Clients recognise our ability to swiftly adapt our organisation and resource allocation to meet their needs, and to fulfil the demands and specifications that are essential to their project's success. Our engineers support and partner complex projects. We therefore give priority to meeting the challenges of planning and executing these projects, managing the associated risks, and ensuring that the projects come in on time and on budget.

To ensure proper execution of client projects, we have chosen to perform our services in accordance with the highest standards. To this end, we apply a certification policy to all our main entities based on a combination of ISO 9001, ISO 45001 and ISO 14001. Our standards are also aligned with specific client references, such as ASME NQA-1, or industry benchmarks, such as ISO 27001 for information systems security and ISO 19443 for nuclear safety (see Section 3.2.3.2.3 above).

As of the date of this Universal Registration Document, all operating subsidiaries held quality certifications for all of their sites.

The challenge is to achieve consistently high levels of delivery quality and client satisfaction in all of the Group's host countries. To preserve our Made in Assystem quality, in 2019 we launched a project to align our practices and quality systems through the Ourway programme that is accompanying our international expansion. A process to align project quality systems is being developed and will be deployed in 2020.

3.2.4 CONTRIBUTING TO ENERGY TRANSITION

Assystem is among the militants battling to prevent climate change. In 2019, we affirmed our commitment by signing the Engineering for the Climate Charter promoted by our industry organisation, Syntec Ingénierie. The Charter's signatories commit to taking concrete action in favour of energy transition through the projects performed on behalf of clients, sustainably reducing their businesses' carbon footprint and supporting their employees' climate commitments.

These three priorities structure our contribution to reducing global warming and to driving energy transition.

3.2.4.1 Acting in favour of energy transition through client projects

PRACTICES AND ACTION PLANS

Combating climate change is a priority and a technological challenge in the nuclear, energy, transport and infrastructure sectors. It requires industry to square the circle by combining financial performance with environmental performance.

The first pillar of the Engineering for the Climate Charter – involvement in the energy transition – goes to the heart of our strategy to promote enlightened energy choices that rapidly increase the contribution of carbon-free electricity to the global energy mix.

We follow two approaches:

Developing global businesses in support of energy transition and efficiency

We are convinced that nuclear is an essential weapon in the battle against global warming and are working to promote development of this energy source throughout the world. Last year's growth in our international nuclear activities confirms our commitment in favour of a more sustainable energy mix. We are partnering countries in determining their strategy for the development of their first nuclear power plants or for the renewal of their existing nuclear programme.

Another highlight of 2019 was the growth in our engineering services for the rail transport sector, helping to develop and upgrade public transport networks. We also contributed to improving the energy efficiency of manufacturing plants.

Adapting the way in which the Group conducts its engineering engagements by developing new offers and methodologies addressing climate change issues

A number of projects we are working on will ultimately have an impact on global warming. Clients are supported in their energy transition and in the drive to reduce their overall carbon footprint during all phases of their projects through:

- our help in identifying and measuring the environmental impact or energy performance of their future installations or their projects;
- our broad vision of the regulatory and standards environment, and the health and safety challenges;
- our ability to devise the most efficient and cost-effective solutions in terms of materials, equipment and systems ready for seamless integration into an aligned project.

Our solutions enable clients to meet their own challenges as well as achieving their environmental performance targets.

Significant events in 2019

In Uzbekistan, we set up a joint venture – Uzenergoengineering-Assystem – to support the country's energy transition. The official launch of the joint venture on 11 February was marked by an event in Tashkent attended by the country's Energy Ministers, Isabelle Servoz-Gallucci, French Ambassador to Uzbekistan, and colleagues from Assystem. The event and the project attracted significant coverage in the local and regional media.

In the Kingdom of Saudi Arabia, Radicon is providing engineering, supply, construction management and commissioning services for the Jubail Plaschem plant under a 28-month contract with France's Veolia. The waste-to-energy facility will process up to 30,000 tonnes of solid and liquid industrial waste per year and recover the heat from this process to generate steam and compressed air for use by tenants of the Plaschem industrial park.

In the United Kingdom, Assystem is a member of the SME consortium led by Rolls Royce and also including BAM Nuttall, Laing O'Rourke, National Nuclear Laboratory (NNL), SNC Lavalin/Atkins, Wood, The Welding Institute (TWI) and Nuclear AMRC. The consortium is match-funding the £18 million that has been confirmed by the UK Government organisation, UK Research and Innovation (UKRI). Assystem is leading the turbines and general installations sub-projects and is also contributing to other design areas. A full programme of power stations located at all existing UK nuclear sites is forecast to create up to 40,000 jobs in the United Kingdom and generate US$ 250 billion in export revenues.

In France, our IncredibleFuture programme is promoting the emergence of innovative solutions. In 2019, we decided to develop an idea submitted for the internal innovation competition "Imagine our Smart Future in 2024". The idea concerned a sustainable building design tool incorporating environmental criteria during the design phase, the utilisation phase and the decommissioning phase.

3.2.4.2 Sustainably reducing our businesses' carbon footprint

3.2.4.2.1 PERFORMANCE INDICATORS

	Target	2019	2018	Change
Greenhouse gas emissions *($TeqCO_2$)*	n.a.	5,728 3,791	- 3,991*	- ↘
Greenhouse gas emissions per employee per year *($TeqCO_2$/employee/year)*	n.a.	1.23 1.16	- 1.24*	- ↘
Electricity use *(in kWh)*	n.a.	2,328,759 1,605,419	- 1,765,162*	- ↘

* *2018 boundary*

The boundary for the measurement of CO_2 emissions was expanded in 2019. It now covers the main Group entities apart from INSIEMA and MPH-GS and its subsidiaries, and the Belgian and Swiss subsidiaries of Assystem Care Holding. These entities will be included in the scope in 2020. The results for this expanded boundary are provided for information purposes. To permit meaningful comparisons, 2019 performance has been analysed based on the 2018 boundary, covering Assystem Engineering & Operation Services, Assystem Care France and Assystem SA.

The 5% decrease in total emissions and the 6.5% decrease in emissions per employee per year attest to our success in controlling our greenhouse gas emissions in line with our commitment to reducing our environmental footprint. They confirm the validity of our strategies to reduce business travel and use lower-carbon means of transport, with a 21% reduction in emissions from air travel and a 7% reduction in emissions from travel by car.

3.2.4.2.2 POLICIES AND COMMITMENTS

Our commitment in favour of the climate is also reflected in our internal practices designed to reduce our own businesses' carbon footprint. Meeting this objective involves limiting the impact of business travel, changing employees' everyday practices and behaviours and tracking the impact of these measures on our carbon footprint.

In practice, the commitment is reflected in our internal policies concerning business travel and car use. We have introduced and encourage the application of upstream measures designed to limit or propose alternatives to business travel. Some of these are covered by collective agreements (home-working) or discussed with employee representatives (local transport plan).

3.2.4.2.3 PRACTICES AND ACTION PLANS

We deploy and encourage a series of consistent measures to limit the impact of business travel and reduce the number of trips. We also take steps to limit the carbon footprint of our offices and work organisation.

Managing business travel solutions

We continue to promote low-carbon mobility solutions through a travel policy recommending that the means of transport should be selected according to the destination and distance. The rules governing business travel are designed to optimise the distances travelled and the choice of means of transport, including for the trip to and from the airport or railway station. For these "last mile" trips, agreements have been entered into with companies operating fleets of hybrid or electric taxis. We also have a policy of proactively replacing fleet vehicles.

In addition, alternatives to business travel and commuting are promoted, such as collaborative tools. As a general principle, we endeavour to choose office locations that are well served by modern public transport networks.

Infrastructure management

All decisions about working space are measured against financial, social and environmental yardsticks. We take specific measures to improve the energy performance of our infrastructure, in particular by renting office space in energy-efficient buildings and reducing office space per employee. When it comes to choosing new facilities, wherever possible we opt for low-energy buildings that comply with the latest environmental standards and are equipped with more efficient management systems such as smart HVAC meters.

Tracking and managing our carbon footprint

Each year, we prepare and publish a Bilan Carbone carbon footprint report measuring the greenhouse gas emissions generated by our activities based on scopes 1, 2 and 3. The report covers the main direct and indirect CO_2 emissions related to the Group's offices and business travel. The Group does not have its own data centres and does not use any material dedicated data storage space. As a result, IT-related electricity use and CO_2 emissions are not measured. The carbon footprint report covers all material subsidiaries in Europe, the Middle East and the Pacific region, as described in Section 3.3.2.2.

Significant events in 2019

We intend to gradually replace our diesel-powered vehicles in order to rapidly operate a fleet consisting exclusively of clean hybrid or electric vehicles (CO_2 emissions of less than 110g/km), in line with the general emissions objective set by Group management.

3.2.4.3 Supporting employees' climate commitments

POLICIES AND COMMITMENTS

In 2019, we launched the Incredible Future programme modelled on the Engineering for the Climate Charter. The programme coordinates and supports internal energy transition initiatives both related to projects and also in the entities.

The aim of the programme is to support the young generations' clear interest in environmental issues. As a responsible corporate citizen, we view this programme as a means of strengthening our employees' engagement, developing the Group's attractiveness and contributing to one of the biggest challenges facing the world, climate change.

Significant events in 2019

To mark European Waste Reduction Week, our specialist environment unit organised a challenge between most of our sites to raise awareness among as many employees as possible of the need to reduce waste.

3.3 METHODOLOGY NOTE

3.3.1 REPORTING STANDARDS

The Group's CSR commitments are based on the following standards:

- the Non-Financial Performance Statement describes Assystem's Corporate Social Responsibility strategy and the non-financial information required by Articles L. 225-102-1 and R. 225-105-1 to R. 225-105-3 of the French Commercial Code;
- the UN Global Compact, which sets out ten universal principles covering human rights, labour, the environment and anti-corruption measures.

  The Group pledged to uphold the Global Compact in 2011 and renewed its pledge in 2017. Within the Group, these principles are translated into mandatory behaviours and practices, as indicated in the following cross-reference table:

HUMAN RIGHTS

Global Compact principles	Sources
Businesses should support and respect the protection of internationally proclaimed human rights	• Application of OECD guidelines and ILO conventions (declaration by Assystem Engineering and Operation Services committing to comply and to ensuring that contractors comply with the ILO's 1998 Declaration on Fundamental Principles and Rights at Work)
Businesses should make sure that they are not complicit in human rights abuses	• Application of OECD guidelines and ILO conventions • Sections on retaining talent, diversity and social dialogue

LABOUR

Global Compact principles	Sources
Businesses should uphold the freedom of association and the right to collective bargaining	• Application of OECD guidelines and ILO conventions • Section 3.2.1.5.1
Businesses should uphold the elimination of all forms of forced or compulsory labour	• Application of OECD guidelines and ILO conventions
Businesses should uphold the effective abolition of child labour	• Application of OECD guidelines and ILO conventions
Businesses should uphold the elimination of discrimination in respect of employment and occupation	• Section 3.2.2.1

ENVIRONMENT

Global Compact principles	Sources
Businesses should support a precautionary approach to environmental challenges	• Section 3.2.4
Businesses should undertake initiatives to promote greater environmental responsibility	• Section 3.2.4

ANTI-CORRUPTION

Global Compact principles	Sources
Businesses should work against corruption in all its forms, including extortion and bribery	• Code of Conduct covering bribery and corruption and influence peddling • Section 2.2.8

- ISO 26000, for which the certification process is a driver of continuous improvement, particularly in international units;
- Global Reporting Initiative (GRI);
- GS-R standards issued by the IAEA;
- ISO 9001 quality management standard;
- ISO 45001 and OHSAS 18001 occupational health and safety management standards;
- ISO 14001 environmental management standard.

3.3.2 INDICATORS AND REPORTING METHODOLOGY

In 2011, we drew up a list of key indicators to be used to assess our CSR performance and the impact of the business on our environment and stakeholders. These indicators are tracked regularly and presented in an annual report. They are in addition to the Group key figures presented on pages 4 and 5 of this Universal Registration Document.

The Non-Financial Performance Statement is prepared using input from the operations departments and business partners concerned. These include the Human Resources, Legal & Compliance, Nuclear Risk Management, Safety Quality, Mobility & Workplace, Information Systems and Digital Innovation departments.

3.3.2.1 HR indicators

DEFINITIONS:

- total number of Group employees: number of Group employees at 31 December 2019 under permanent, fixed term and project contracts, and work-study contracts, excluding interns, temporary staff, subcontractors and UK contractors. Employees are presented by geographic area;
- flexibility: number of Group employees under permanent contracts at 31 December 2019;
- gender balance: employees on the payroll at 31 December 2019;
- seniors: employees aged 45 and over on the payroll at 31 December 2019;
- employees with disabilities: employees whose possibility of finding or keeping a job is reduced due to the alteration of one or more physical, sensory, mental or psychological functions. On the Group's payroll at 31 December 2019;
- absentee rate: number of days' absence (sick leave, work-related accident leave, maternity/paternity leave) divided by the theoretical number of days worked. The absentee rate is calculated based on the weighted average number of Group employees;
- hiring: cumulative number of new hires over the reporting period, excluding contractors in the United Kingdom. INSIEMA and MPH-GS accounted for a significant proportion of total new hires and we therefore intend to continue excluding them from the analysis;

- training: internal and external classroom and e-learning courses that enable employees to acquire the expertise needed to perform their jobs. The investment in training is measured based on (i) the number of employees trained during the year and (ii) training costs, including the cost of training materials, trainer payroll costs and related expenses, expressed as a percentage of the total payroll for 2019;
- employee resignations: number of resignations calculated as a percentage of the average number of employees for the reporting period. The reported figures exclude contractors in the United Kingdom. INSIEMA and MPH Global Services and its subsidiaries are also excluded due to the specific nature of their businesses and contractual relationships with employees, which means that their employee turnover rates are automatically higher;
- work-related accidents: lost-time accidents caused by or that occur during the work of a Group employee, whatever the cause. Accident frequency and severity rates correspond to averages calculated based on the rules set out in the French Labour Code (Code du Travail). They are determined by reference to the number of hours worked, based on the number of incidents recognised by the social security authorities as being work-related. The reported figures exclude INSIEMA and MPH Global Services and its subsidiaries due to the specific nature of their businesses.

BOUNDARY:

The HR indicators presented in this Universal Registration Document are based on the Human Resources Department's annual employee data report and have been calculated as of 31 December 2019.

They cover 81% of Group employees, as defined in Section 3.3.2 above. They do not cover INSIEMA and MPH Global Services and its subsidiaries, because their business model is different from the Group's core engineering services business.

3.3.2.2 Environmental indicators

DEFINITIONS:

The environmental indicators presented in Section 3.2.4.2 of this Universal Registration Document are based on the 2019 greenhouse gas emissions report (BEGES) and cover the main scope 1, 2 and 3 direct and indirect emissions generated by the entities mentioned in the "Boundary" paragraph below:

- some non-material energy use (electricity and gas) is not included in the calculation because the source data is not available;
- travel expenses paid by the Company credit cards issued by a few units are not taken into account in CO_2 emissions estimates because the data is difficult to access;
- the CO_2 emissions calculation factors are obtained from national databases similar to the ADEME database in France (see www.bilans-ges.ademe.fr). Where accurate information is not available, we use the factors for countries with a similar energy mix and similar energy generation resources;
- data concerning electricity use by information systems, servers, computers and other digital tools is not separately identified and is included in total electricity use;
- the Group does not have its own data centres and does not use any material dedicated data storage space; information systems electricity use and greenhouse gas emissions are not taken into account in the report presented in Section 3.2.4.

BOUNDARY:

The environmental indicators defined in Section 3.3.2.2 above cover 74% of Group employees in 2019 (54% in 2018). The action taken enabled us to extend the calculation base to include material subsidiaries in Europe, the Middle East and the Pacific region. The data does not currently cover recent acquisitions (such as ASCO), the Belgian and Swiss subsidiaries of Assystem Care Holding, INSIEMA, or MPH Global Services and its subsidiaries. In other countries, we are unable to obtain sufficiently reliable data for inclusion in the greenhouse gas emissions report due to the nature of the business and the fact that our offices are spread over wide areas.

To permit meaningful comparisons, 2019 pro forma greenhouse gas emissions have also been calculated for the entities concerned in 2018, i.e. Assystem Engineering and Operation Services, Assystem Care France and Assystem SA.

3.3.2.3 Other key indicators

Definition:

- risk analysis coverage: all Group subsidiaries are covered by the risk analysis carried out for the application of France's Sapin II Act (concerning transparency, the prevention of corruption and the modernisation of economic life). In the case of mergers and acquisitions and the creation of joint ventures, due diligence reviews are performed at the outset;
- information systems security: performance data concerning systems security constitutes sensitive information. For this reason, no quantitative data is disclosed concerning our performance in this area.
- nuclear safety: performance is measured based on the annual number of incidents reported to a nuclear safety authority for which Assystem is considered as responsible. Incidents are classified based on the definitions used for the International Nuclear Event Scale (INES);
- employee exposure to radiation: this indicator corresponds to the proportion of employees exposed to radiation levels in excess of one-tenth of the permissible amount in each country (%);
- client satisfaction: this indicator corresponds to the proportion of clients that rate the Group's services as satisfactory or more than satisfactory in the annual survey conducted by an independent firm of consultants. The consultants work with Assystem to put together the questionnaire and select the client sample. The consultants then conduct the survey according to their own protocols and analyse the results using their proprietary statistical methods. With a response rate of around 50%, the consultants consider that the confidence interval for the satisfaction score is 4.5%.

BOUNDARY:

Ethical practices indicators cover all consolidated companies.

Nuclear safety indicators cover all of the Group's nuclear services performed for nuclear plant operators or suppliers of nuclear equipment.

The indicator concerning the management of employee exposure to radiation covers all employees whose exposure is monitored in compliance with each country's specific legal and regulatory obligations, regardless of the subsidiary concerned. In 2019, 742 employees were monitored for radiation exposure, representing 12% of total Group employees.

The client satisfaction indicator covers the Group's nuclear businesses and is based on annual surveys of a sample of more than 600 clients, including key accounts in France and the United Kingdom. The 2019 customer satisfaction survey covered 70% of the revenue generated by the Group's nuclear activities, and 42% of consolidated revenue.

3.4 REPORT OF THE INDEPENDENT THIRD PARTY

To the Shareholders

In our capacity as the independent third party, member of the Mazars network, certified by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1058 (accreditation scope available at www.cofrac.fr.), we hereby report to you on the consolidated non-financial performance statement for the year ended 31 December 2019 (hereinafter the "Statement"), included in the Group management report, in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

RESPONSIBILITY OF THE COMPANY

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the Company's procedures (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and are available upon request from the Company's head 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 French Code of Ethics for independent third parties (Code de déontologie). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the information provided (hereinafter the "Information") is fairly presented in accordance with paragraph 3 of the sections I and II of the Article R. 225-105 of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks.

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, particularly relating to Duty of Care and the fight against corruption and tax evasion, or the compliance of products and services with applicable regulatory provisions.

NATURE AND SCOPE OF OUR WORK

We performed our work described below in compliance with Articles A. 225-1 et seq. of the French Commercial Code, with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes or CNCC) relating to this engagement and with ISAE 3000[1]:

- we gained an understanding of the activity of all companies in the consolidation scope and of the Company's exposure to the main risks;
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- we verified that the Statement covers every category of information required under Article L. 225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

- we verified that the Statement presents the disclosures required under Article R. 225-105, Paragraph II, of the French Commercial Code if they are relevant given the main risks or policies presented, and – if applicable – an explanation of the reasons for the non-disclosure of the information required under Article R. 225-102-1, Paragraph III, second sub-paragraph;
- we verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators for the main risks;
- we referred to documentary sources and conducted interviews to:
  - obtain an understanding of the process for selecting and validating the main risks, and assess the consistency of the outcomes and key performance indicators with the main risks and policies presented, and
  - corroborate the qualitative disclosures (actions and outcomes) that we deemed the most important (see Appendix 1). Our procedures were carried out at Assystem's headquarters;
- we verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 within the limits specified in the Statement;
- we obtained an understanding of the internal control and risk management procedures implemented by the Company and assessed the data collection process implemented by the Company to ensure the completeness and fair presentation of the Information;
- for key performance indicators and the other quantitative outcomes that we considered the most important (see Appendix 1), we applied:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent,
  - sample-based detailed testing procedures to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents; the work was carried out at the level of AEOS France and covered between 51% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our understanding of all companies within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our work drew on the skills of three individuals and was conducted between January and March 2020 for a total working time of two weeks.

We conducted a dozen interviews with the individuals responsible for preparing the Statement, including representatives of the Safety Quality, Legal & Compliance, and Human Resources Departments.

OPINION

Based on our work, we have no material misstatements to report that would call into question the compliance of the Non-Financial Performance Statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines

COMMENTS

Without qualifying our opinion, in accordance with Article A. 225-3 of the French Commercial Code, we draw your attention to the following matters:

- the information systems security policy only covers France, representing 74% of the Group's total workforce. No key performance indicator is presented for this policy due to the sensitive nature of this information.

Paris La Défense, 18 March 2020

The Independent Third Party

Mazars SAS

Edwige Rey

CSR & Sustainable Development Partner

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CORPORATE GOVERNANCE REPORT

In June 2019, the Company's Board of Directors decided to change its corporate governance reference framework from the AFEP/MEDEF corporate governance code to the Middlenext corporate Governance Code as revised in September 2016 (the "Middlenext Code").

The Company considers that its practices comply with the recommendations in the Middlenext Code.

On 22 May 2014, Assystem was converted into a société anonyme (public limited company) with a Board of Directors chaired by Dominique Louis, Chairman & CEO.

The Board of Directors is guided in its work by its Rules of Procedure which define how it is organised and operates, as well as an Insider Trading Compliance Code. The Board regularly reviews its Rules of Procedure to ensure that they are constantly in compliance with the applicable laws and regulations. The Board's most recent update to the Rules of Procedure was on 27 June 2019, notably in order to reflect the new corporate Governance Code used by the Company as its reference framework for corporate governance matters.

The Group's governance structure – which was adopted based on the industry benchmark – is in line with SBF 250 best practices. It offers a form of governance that is tightly structured around Management, acting under the oversight of three independent directors who ensure a balance of power. This balance is enhanced by the fact that the powers of the Chairman & CEO and the CFO & Deputy CEO are delineated by the Rules of Procedure and the appointment decisions that fall within the remit of the Board.

Assystem's governance structure is also intended to simplify the decision-making process, accelerate the implementation of the Group's strategy, strengthen the accountability of the Board of Directors, and create close ties between the Board and Management.

In addition, the Board has two specialised Committees – an Audit Committee and a Nominations and Compensation Committee. The existence of these two Committees strengthens the balance of power within the Company.

At the date of this Universal Registration Document, the Group's executive management team was headed by Dominique Louis (Chairman & CEO) and also comprised Philippe Chevallier (CFO & Deputy CEO) and Stéphane Aubarbier (Chief Operating Officer).

This report is made up of three Sections: (i) Section 4.1, relating to the Board of Directors, (ii) Section 4.2, which sets out the compensation policy applicable to the corporate officers[1] and the report on the corporate officers' 2019 compensation, and (iii) Section 4.3, which describes the terms and conditions for participating in General Shareholders' Meetings as well as related-party agreements.

All of the information required in a corporate governance report is cross-referenced in the table in Chapter 8 of this Universal Registration Document, indicating the related Chapter and page numbers.

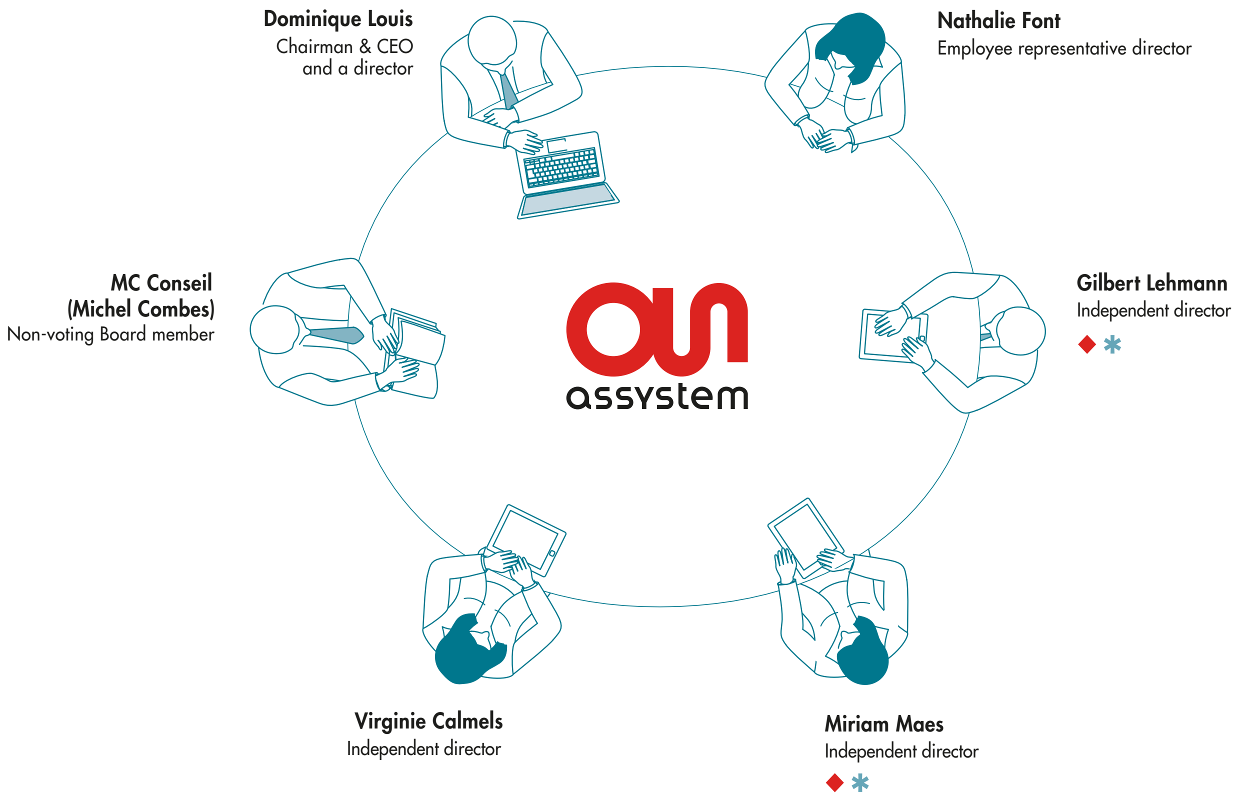
(1) For the purposes of this document, the term "corporate officer" means a director or officer of the Company. The term "executive officer" means a corporate officer who has an executive role within the Company and who may or may not be a member of Assystem's Board of Directors. At 31 December 2019 Assystem had two executive officers: Dominique Louis, Chairman & CEO and Philippe Chevallier, CFO & Deputy CEO.

4.1 THE BOARD OF DIRECTORS

4.1.1 MEMBERS OF THE BOARD OF DIRECTORS

4.1.1.1 General information

MEMBERS OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2019



◆ *Audit Committee*
✱ *Nominations and Compensation Committee*

SUMMARY TABLE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES AT 31 DECEMBER 2019

	Age	Male/ Female	Start of first term of office	End of current term of office	Number of years on the Board	Audit Committee	Nominations and Compensation Committee
Directors*							
Dominique Louis Chairman & CEO	68	M	4 February 1994	2020 AGM	25		
Gilbert Lehmann	74	M	3 May 2004	2020 AGM	15	Chairman	x
Miriam Maes	63	F	12 May 2011	2020 AGM	9	x	Chair
Virginie Calmels	48	F	9 March 2016	2020 AGM	4		
Nathalie Font	49	F	14 December 2018	2022 AGM	1		
Non-voting Board member							
MC Conseil**	N/A	N/A	27 June 2019	2024 AGM	0		

* *At its meeting on 22 January 2020, the Board appointed Vincent Favier as a director to replace Tikehau Capital which resigned on 15 November 2019. The shareholders will be asked to ratify this appointment at the 26 June 2020 Annual General Meeting.*

** *At the 26 June 2020 Annual General Meeting, the shareholders will be asked to elect MC Conseil as a director, which would automatically result in its resignation as a non-voting Board member.*

SUMMARY OF EACH DIRECTOR'S ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN 2019

During the year ended 31 December 2019, the Board of Directors met seven times, the Audit Committee met six times and the Nominations and Compensation Committee met twice.

Attendance rates of each director in 2019	Board of Directors' meetings	Audit Committee meetings	Nominations and Compensation Committee meetings
Dominique Louis Chairman & CEO	86%	N/A	N/A
Gilbert Lehmann	100%	100%	100%
Miriam Maes	100%	100%	100%
Virginie Calmels	100%	N/A	N/A
Nathalie Font	100%	N/A	N/A
Tikehau Capital, represented by Vincent Favier	86%	86%	100%

NUMBER OF DIRECTORS

In accordance with paragraph 1 of Article L. 225-17 of the French Commercial Code, the Board comprises a minimum of three and a maximum of eighteen members, elected for a renewable three-year term.

At 31 December 2019, the Board comprised six members:

- Dominique Louis, Chairman & CEO;
- Gilbert Lehmann, independent director, Chairman of the Audit Committee and member of the Nominations and Compensation Committee;
- Miriam Maes, independent director, member of the Audit Committee and Chair of the Nominations and Compensation Committee;
- Virginie Calmels, independent director;
- Nathalie Font, employee representative director;
- MC Conseil, non-voting Board member, represented by Michel Combes.

GENDER BALANCE ON THE BOARD OF DIRECTORS

At 31 December 2019, the Board's membership structure complied with the requirement of French Act 2011-103 of 27 January 2011 relating to gender equality in the workplace and in particular concerning gender balance on corporate boards.

INDEPENDENT DIRECTORS

The Middlenext Code states that in order for a director to be deemed independent they must not:

- be – or have been in the past five years – an employee or executive officer of the Company or any other Group entity;
- have – or have had in the past two years – significant business relations with the Company or the Group (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- be a major shareholder of the Company or hold a significant percentage of its voting rights;

- have close links or close family ties to a corporate officer or major shareholder of the Company; or
- have been a Statutory Auditor of the Company in the past six years.

At its meeting on 9 March 2020, based on the recommendation of the Nominations and Compensation Committee issued following its Committee Meeting held on that same day, the Board assessed the independence status of its members based on each of the above criteria.

The Board's conclusions are set out in the table below[1]:

	Dominique Louis	Miriam Maes	Gilbert Lehmann	Virginie Calmels	Nathalie Font	MC Conseil*
Is not – or has not been in the past five years – an employee or executive officer of the Company or any other Group entity		x	x	x		x
Has not – or has not had in the past two years – significant business relations with the Company or the Group (as a client, supplier, competitor, service provider, creditor, banker, etc.)	x	x	x	x	x	x
Is not a major shareholder of the Company and does not hold a significant percentage of its voting rights		x	x	x	x	
Does not have close links or close family ties to a corporate officer or major shareholder of the Company		x	x	x	x	
Has not been a Statutory Auditor of the Company in the past six years	x	x	x	x	x	x
Independence status	Not independent	Independent	Independent	Independent	Not independent	Not independent

* *MC Conseil was a non-voting Board member at 31 December 2019.*

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The membership structure of the Board of Directors therefore complies with the Middlenext Code which recommends that corporate boards should contain at least two independent directors.

In addition, the Audit Committee and the Nominations and Compensation Committee are both chaired by independent directors.

RESPONSIBLE DIRECTORS

Conflicts of interest

The Company is not aware of any potential conflicts of interest between the directors' and executive managers' duties to Assystem and their own personal interests and/or other obligations.

Furthermore, to the best of the Company's knowledge, none of its corporate officers:

- has been convicted of fraud in the past five years;
- has been associated with a bankruptcy, receivership or liquidation in the past five years;
- has been publicly and officially incriminated and/or sanctioned by statutory or regulatory authorities (including professional bodies);
- has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from taking part in the management or conduct of the business of any issuer in the past five years.

Lastly, there are no family ties between the members of the Board of Directors.

Insider Trading Compliance Code

In compliance with the General Regulations of the Autorité des marchés financiers (AMF – the French securities regulator), members of the Board of Directors are required to disclose any trades they carry out in the Company's securities and to refrain from trading in any of the Company's securities they hold in a personal capacity during the closed periods specified in the applicable regulations.

The procedures for applying these trading rules are described in the Company's Insider Trading Compliance Code. Each corporate officer is required to declare in writing that they have read this Code. In addition, each year the Company informs its corporate officers of the dates on which it intends to publish quarterly and half-yearly financial information and the associated closed periods.

This process applies to all of the Group's key personnel who have access to inside information.

DIVERSITY POLICY

The Board regularly assesses whether its own membership structure and that of its Committees is balanced in view of the Company's ownership structure and in terms of the diversity of the profiles of the Board and Committee members. At 31 December 2019, three of the Board's members were women (including one non-French member) and three were men, including the non-voting member. Almost all of the Board's members have experience working for an international structure and the aim is for the Board to achieve a balance between experience, skills, independence and ethics.

The directors are selected based on the above criteria, and notably for their experience and skills (particularly in terms of managing large international groups, understanding of specific issues related to Assystem's business, knowledge of the Company's markets, and financial skills).

Thanks to this balanced structure, the Board's discussions and decision-making processes are of the highest quality.

CHANGES ON THE BOARD

The following changes to the Board's membership took place in 2019:

- on 27 June 2019, two non-voting members were appointed: MC Conseil, represented by Michel Combes, and Tikehau Investment Management, represented by Henri Marcoux;
- on 15 November 2019, Tikehau Capital (represented by Vincent Favier) resigned as a director, and Tikehau Investment Management (represented by Henri Marcoux) resigned from its position as a non-voting Board member.

At its meeting on 22 January 2020, acting on the recommendation of the Nominations and Compensation Committee, the Board appointed Vincent Favier as a director to replace Tikehau Capital, which had stood down. At the 26 June 2020 Annual General Meeting, the shareholders will be asked to ratify this appointment and elect Vincent Favier as a director.

At the same meeting, shareholders will also be asked to elect Pierre Guénant, Julie Louis and MC Conseil (represented by Michel Combes) as directors of the Company.

4.1.1.2 Information about the Company's corporate officers

DOMINIQUE LOUIS
Chairman & CEO, Chairman of the Board of Directors and a director of Assystem

Born in 1951

A French national

Business address:

Assystem – Tour Égée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Date re-appointed as Chairman & CEO and re-elected as a director: 16 May 2017

End of current term of office:

Annual General Meeting to be held in 2020 to approve the 2019 financial statements.

At 31 December 2019, Dominique Louis held an indirect interest in the Company's share capital as described in Chapter 1, Section 1.5 of this Universal Registration Document.

Profile

- A qualified engineer (ENSEM), Dominique Louis began his career as a test engineer with Atem, a company specialised in industrial and nuclear engineering. Several years later he created the company R'Data and subsequently, Alphatem, a subsidiary formed jointly with Cogema. The amalgamation of Atem, R'Data and Alphatem gave rise to the creation of Assystem in 1994. Dominique Louis oversaw Assystem's IPO in 1995 and since the Company's formation has served as the Chairman of the Management Board and subsequently as the Chairman of the Board of Directors.
- Dominique Louis is a Knight of the French Legion of Honour.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices posts	Group companies
Offices and posts held in France	
Chairman & CEO and a director	Assystem*
Offices and posts held outside France	
Director	Assystem Solutions DMCC
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Permanent representative of HDL as Chair	HDL Development
Chairman	HDL SAS
Chairman	Entreprises en Croissance SAS (EEC)
Chairman	CEFID SAS
Joint Legal Manager – Chairman of the Management Board	H2DA Sarl
Legal Manager	SCI Les Grives Comtadines
Observer	Framatome
Member of the Supervisory Board	Expleo Group
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

PHILIPPE CHEVALLIER
CFO & Deputy CEO

Born in 1958

A French national

Business address:

Assystem – Tour Égée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Date appointed as CFO & Deputy CEO: 5 June 2015

End of current term of office:

Annual General Meeting to be held in 2020 to approve the 2019 financial statements.

At 31 December 2019, Philippe Chevallier did not hold any Assystem shares.

Profile

- A graduate of ESSEC Business School and Sciences Po, Philippe Chevallier began his career at Usinor (later ArcelorMittal) where he was director of financing and director of mergers & acquisitions.
- He subsequently held the post of Chief Financial Officer at Elior for 12 years, managing refinancing and equity transactions as well as acquisitions and divestments. After working as a senior adviser at the financial consulting firm June Partners, he was appointed CFO and General Counsel at Assystem on 5 January 2015.
- Since 5 June 2015, Philippe Chevallier has been Assystem's CFO & Deputy CEO.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group companies
Offices and posts held in France	
CFO & Deputy CEO	Assystem*
Chairman	ASG Assistance Sécurité et Gardiennage
Chairman	Bâtir Conseils
Non-voting Board member	Expleo Group
Offices and posts held outside France	
Director	Assystem Solutions DMCC
Offices and posts	**Non-Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

GILBERT LEHMANN

A director of Assystem, Chairman of the Audit Committee and member of the Nominations and Compensation Committee

Born in 1945

A French national

Business address:

Assystem – Tour Égée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Date re-elected as a director: 16 May 2017

End of current term of office:

Annual General Meeting to be held in 2020 to approve the 2019 financial statements.

At 31 December 2019, Gilbert Lehmann held two Assystem shares.

Profile

- After obtaining a degree in economic science and graduating from the Institut d'études Politiques in Paris, Gilbert Lehmann worked in several posts in the public banking sector before joining the Framatome Group in 1983, where he served as director of financing and corporate treasury, and then CFO (from 1990 to 1996) and Deputy CEO (from 1996 to 2001). He was subsequently appointed Deputy CEO of Areva when Areva was incorporated in 2001, a post he held until 2008.
- Gilbert Lehmann has held several directorships in listed companies in France and the United States.
- He is also a director and Chairman of the Audit Committee of Cadogan Plc and was a member of Assystem's Supervisory Board from 2003 to 2014.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group company
Offices and posts held in France	
Director – Chairman of the Audit Committee – member of the Nominations and Compensation Committee	Assystem*
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Managing Partner	Gilbert Lehmann Conseil
Offices and posts held outside France	
Director – Chairman of the Audit Committee	Cadogan Plc (London)*

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Director – Vice-Chairman of the Board of Directors – member of the Audit Committee	Eramet*
Director	Framapar*
Director	CNS
Chairman of the Supervisory Board	Lina's Developpement
Offices and posts held outside France	
Director	ST Microelectronics Holding BV
Chairman and a director	Sepi – Switzerland

* *Listed company.*

MIRIAM MAES

A director of Assystem, member of the Audit Committee and Chair of the Nominations and Compensation Committee

Born in 1956

A Dutch national

Business address:

Assystem – Tour Egée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Date re-elected as a director: 16 May 2017

End of current term of office:

Annual General Meeting to be held in 2020 to approve the 2019 financial statements.

At 31 December 2019, Miriam Maes did not hold any Assystem shares.

Profile

- Miriam Maes holds a Business Administration degree from Nyenrode Business Universiteit in the Netherlands. She has 30 years' experience of working for multinationals, more than 20 of which spent managing national and international profit centres.
- Miriam Maes began working in the energy sector in 2002, initially at Texas Utilities (TXU) as a member of the European Executive team and later at EDF where she served as Chief Operating Officer in charge of non-regulated networks and decentralised energy business.
- In 2007 she took on the role as Chair of Foresee, a consulting firm specialising in sustainable development and energy management for businesses.
- In 2010 she was appointed as an adviser to the UK Secretary of State for Energy & Climate Change with the specific task of supporting the UK government's public sector energy and carbon emissions reduction programmes.
- Miriam Maes is currently Chair of the Supervisory Board of the Port of Rotterdam and a director of Eramet and Urenco.

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LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group company
Offices and posts held in France	
Director, member of the Audit Committee and Chair of the Nominations and Compensation Committee	Assystem*
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Director, Chair of the Audit Committee and member of the Compensation Committee	Eramet*
Offices and posts held outside France	
Chair of the Supervisory Board and member of the Compensation Committee	Port of Rotterdam
Director, member of the Audit Committee and Chair of the Sustainability Committee	Urenco

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Director and Chair of the Audit Committee	Vilmorin*
Offices and posts held outside France	
Chairman	Sabien Technology Group Ltd (United Kingdom)
Non-executive director	Elia System Operator – NV
Non-executive director	Elia Asset – NV
Non-executive director	Kiwi Power Ltd

* *Listed company.*

VIRGINIE CALMELS
A director of Assystem

Born in 1971

A French national

Business address:

Assystem – Tour Egée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Date re-elected as a director: 16 May 2017

End of current term of office:

Annual General Meeting to be held in 2020 to approve the 2019 financial statements.

At 31 December 2019, Virginie Calmels did not hold any Assystem shares.

Profile

- Virginie Calmels began her career as an auditor with Salustro Reydel before becoming Chief Financial Officer of the Dutch start-up Sky Gate BV in 1999. She then joined the Canal+ group where she successively served as Chief Financial Officer, Deputy CEO and joint Chief Operating Officer between 2000 and 2002.
- In 2003, Virginie Calmels was appointed CEO of Endemol France and was subsequently named Chair and CEO in 2007. She then became Chief Operating Officer of the Endemol group in 2012. She left the Endemol group in 2013.
- From 2013 to February 2017 she held the position of Chair of the Supervisory Board of Euro Disney of which she had been a member since 2011. She was also an independent director of Technicolor from 2014 to 2016 and then a non-voting member of Technicolor's Board from 2016 to 2017.
- Virginie Calmels was Deputy Mayor of Bordeaux in charge of the Economy, Employment and Sustainable Growth, and Vice-President of the Bordeaux Metropolitan Area from March 2014 until February 2019.
- Since December 2015 she has been a regional councillor for the Nouvelle Aquitaine region.
- Virginie Calmels has also been:
  - A director of Iliad (Free) since 2009.
  - Chair of SAS Shower Company since 2013, which itself is the Chair of SAS CVeducation (since January 2020).
  - Chair of the Strategy Committee of the Ouicare group since November 2019.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group company
Offices and posts held in France	
Director	Assystem*
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Chair	SHOWer company SASU
Director	Iliad
Chair of the Strategy Committee	OuiCare group
Regional councillor for the Aquitaine Limousin Poitou-Charentes region	
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Chair of the Supervisory Board	Eurodisney SCA and Eurodisney Associés SCA
Chair of the Board of Directors	EPA Bordeaux Euratlantique
Vice-President	Centre d'étude et de prospective stratégique (CEPS)
Director	MEDEF Paris
Director	Technicolor SA
Director	Aéroport de Bordeaux Mérignac
Director	BGI Bordeaux Gironde Investissement
Director	Aerospace Valley
Director	Bordeaux Aéroparc SPL
Director	SAEML Régaz
Offices and posts held outside France	
None	

NATHALIE FONT
Employee representative director on the Board of Directors of Assystem SA

Born in 1970

A French national

Business address:

Assystem – 10 Boulevard Ralli, 13008 Marseille cedex, France

Date appointed as a director: 14 December 2018

End of current term of office:

Annual General Meeting to be held in 2020 to approve the 2019 financial statements.

At 31 December 2019, Nathalie Font held 52 Assystem shares.

Profile

- Having trained as an engineer at ESEM, Nathalie Font joined Assystem in 1996 (when it was still called Atem).
- After spending two years in the technical operations unit as a Valves and Pumps project manager, she joined Assystem's Marseille office, working in the fields of engineering for nuclear power plants, decommissioning and environmental protection within the Operations & Safety unit for pressurised water reactors (PWR).
- For ten years she was involved in operations management at the Marseille office and oversaw the PWR Operations & Safety unit.
- In September 2019, Nathalie Font was appointed as Project Quality Engineer for Assystem's offices in Marseille and Lyon.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group company
Offices and posts held in France	
Employee representative director on the Board of Directors of Assystem SA	Assystem*
Offices and posts held outside France	
None	

Offices and posts	Non-Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

Offices and posts	Non-Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

MC CONSEIL, REPRESENTED BY MICHEL COMBES

Limited company with a sole shareholder. Share capital €100. Registered office located at 3, rue de Téhéran, 75008 Paris, France. Registered with the Paris Trade and Companies Registry under no. 493,472,021.
Non-voting member of the Board of Directors of Assystem SA
Represented on Assystem SA's Board of Directors by Michel Combes

Business address:

Assystem – Tour Egée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Date appointed as a director by the Board: 27 June 2019

End of current term of office (subject to ratification of MC Conseil's appointment as a director by Assystem SA's shareholders at the 2020 Annual General Meeting):

Annual General Meeting to be held in 2025 to approve the 2024 financial statements

At 31 December 2019, MC Conseil held an indirect interest in the Company's share capital via HDL Development, of which MC Conseil is an indirect shareholder.

Profile

- MC Conseil provides consulting and assistance services to companies and other organisations, specifically in the domains of strategy, planning, organisation, management and internal control.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group company
Offices and posts held in France	
Non-voting Board member	Assystem*
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
None	
Offices and posts held outside France	
Member of the Business Advisory Committee	McLaren

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Director	HDL Development SAS
Offices and posts held outside France	
None	

MICHEL COMBES
Permanent representative of MC Conseil on Assystem's Board of Directors

Born in 1962

A French national

Business address:

Assystem – Tour Egée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

At 31 December 2019, Michel Combes held an indirect interest in the Company's share capital via HDL Development, of which MC Conseil is an indirect shareholder.

Profile

- A graduate of École Polytechnique, as well as École Nationale Supérieure des Télécommunications, and Paris Dauphine University, Michel Combes began his career at France Telecom.
- He then held several different posts, including in ministerial cabinets in the French government, before serving as Assystem's Chief Executive Officer between 2001 and 2002.
- Michel Combes subsequently continued his career in the telecommunications sector, holding executive positions in France Telecom, Télédiffusion de France (TDF), Vodafone and Alcatel-Lucent. In 2015, he was appointed Chairman of Numericable-SFR and Chief Executive Officer of Altice.
- Michel Combes is currently Chief Executive Officer of Sprint, which he joined in 2018 as Chief Financial Officer.

LIST OF OFFICES AND POSTS HELD AT 31 DECEMBER 2019

Offices and posts	Group company
Offices and posts held in France	
Permanent representative of MC Conseil as a non-voting Board member	Assystem*
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
None	
Offices and posts held outside France	
Director	F5 Networks*
Director and CEO	Sprint*

* *Listed company.*

LIST OF FORMER OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group companies**
Offices and posts held in France	
Chief Executive Officer	Alcatel Lucent*
Chief Executive Officer	SFR-Numéricable*
Offices and posts held outside France	
Chief Executive Officer	Altice Group
Director	MTS Telecom

* *Listed company.*

4.1.2 CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

4.1.2.1 General information on the duties and work of the Board of Directors

In accordance with the Company's Articles of Association and the Board of Directors' Rules of Procedure, the Board meets as often as required in the interests of the Company and at least four times a year.

The Board sets the strategic, economic and financial goals for Assystem's business activities and oversees their achievement. On the initiative of its Chairman, it examines all matters relating to the smooth running of Assystem and makes all decisions – notably of a strategic nature – regarding the Company, within the limits of the corporate purpose and subject to the powers expressly vested in shareholders in General Meetings.

The Board has sole discretion for deciding how Assystem's executive management should be carried out and who should head the executive management team. This person, who is accountable to the Board, may be the Chairman of the Board or another individual appointed by the Board as Chief Executive Officer.

As stated at the beginning of this Chapter, the Board has two specialised Committees with advisory powers, tasked with studying and preparing issues to be discussed and decided on by the Board. These Committees are:

- an Audit Committee, responsible for assisting the Board in carrying out its financial and audit-related duties and responsibilities. In particular, this Committee's roles include:
  - examining the half-yearly and annual parent company and consolidated financial statements, management reports and trading and earnings statements,
  - verifying compliance with the accounting standards used for the parent company and consolidated financial statements,

- ensuring that the internal procedures for compiling and verifying data are properly applied,
- inspecting the quality and relevance of the information disclosed to shareholders,
- examining the Company's procedures for selecting its Statutory Auditors, particularly the way in which they are selected and the underlying terms and conditions of their fees, and ensuring that the Statutory Auditors maintain their independence throughout the term of their engagement,
- analysing the annual audit plans drawn up by the Statutory Auditors,
- reviewing the Board's annual report on the Group's risk exposure, particularly concerning financial and litigation risks, and significant off-balance sheet commitments.

- A Nominations and Compensation Committee, responsible for:
  - submitting proposals to the Board in relation to the election and re-election of Board members and the appointment or re-appointment of the Chairman & CEO, any future CEO and members of the Audit Committee (and the Committee is kept informed by the Chairman of the Board about the appointment of other Group executives),
  - issuing recommendations to the Board on the overall amount for directors' remuneration to be submitted for approval at the Annual General Meeting as well as on the methods used to calculate the individual amounts allocated to the directors out of this overall sum,
  - issuing recommendations to the Board on the compensation of the Company's executives.

In order for the Board to properly perform its duties, prior to its meetings it is regularly and fully advised of matters submitted to it covering all agenda items, and particularly the running of the Company. In this respect, the Board's Rules of Procedure specify that:

- it is the responsibility of the Chairman of the Board to decide on the agenda for each Board meeting and to send this agenda to all Board members in a timely fashion and by any appropriate means;
- information about the agenda items must be sent on a timely basis to members prior to Board and Committee meetings;
- in exceptional cases the Board is authorised to hold its meetings by videoconference or any other means of telecommunication.

In compliance with the Middlenext Code, the Board conducts regular assessments of its operating procedures, its organisation and its membership structure.

Accordingly, on 5 February 2019, a self-assessment questionnaire about the Board was submitted to its members. The questionnaire covered the Board's organisation and operating procedures, the relationship between the Board and the executive management team, an appraisal of the Company's governance, and an evaluation of individual contributions to the work of the Board and its Committees.

In general, all of the directors thought that the Board's organisation was appropriate and in line with market practices. They felt that the presentations given and the discussions held demonstrated the Board's spirit of cooperation and its collegiate nature. All of the directors considered relations between executive management and the Board to be good and most of the directors felt that they had a good understanding of the Company's business activities, goals and challenges. They believed that there were good-quality, regular discussions and contacts outside of Board meetings between the directors themselves and between the Board and the executive management team.

In 2019, the Board regularly organised discussions with representatives of Assystem's operations teams in order to enhance its oversight of the Group's business activities and overall strategy.

4.1.2.2 Work of the Board of Directors and the Board Committees in 2019

THE BOARD OF DIRECTORS

The Board of Directors met six times in 2019 with a 95% average attendance rate.

The main topics addressed by the Board during these meetings were:

- recurring matters, including the parent company and consolidated financial statements, the half-yearly financial statements, quarterly revenue, earnings and trading forecasts, the budget, executive compensation, the self-assessment of Board members, executive succession planning, the allocation of directors' remuneration for their directorship duties, sureties, deposits and guarantees and reviewing regulated related-party agreements and related-party agreements on routine transactions entered into on arm's length terms;
- changes in the Group's strategy and planned external growth transactions.

The Board's work particularly covered the following:

- on 22 July 2019, the Board decided to grant free shares to 91 Group employees;
- on 5 September 2019, the Board decided to grant free shares to a Group manager.

THE AUDIT COMMITTEE

The Audit Committee met six times in 2019 with a 94% average attendance rate.

The main topics addressed by the Committee during these meetings were:

- recurring matters including the forecast budget for the year, the parent company and consolidated financial statements, an analysis of risks and the corresponding provisions, and the half-yearly and annual financial reports for 2019;
- the review of all draft financial press releases and analyst presentations.

During its meetings, the Committee's work specifically covered the following:

- on 5 February 2019, it examined the 2019 budget and the draft financial press release on 2018 revenue;
- on 12 March 2019, it examined (i) the presentation of the annual parent company and consolidated financial statements for 2018 and the related accounting options selected, (ii) the Board of Directors' draft management report for 2018 and significant events after the reporting date, (iii) the Board of Directors' draft report on corporate governance, and (iv) the draft press release for the Group's 2018 results and the draft of the related slideshow;

- on 25 April 2019, it examined the draft financial press release on first-quarter 2019 revenue as well as the related business review and reporting schedules at 31 March 2019;
- on 29 July 2019, it examined the draft financial press release on first-half 2019 revenue and the related business review;
- on 5 September 2019 it examined the Group's half-yearly consolidated financial statements and half-yearly financial report at 30 June 2019 as well as the draft press release and the draft of the related slideshow;
- on 29 October 2019, it examined the draft financial press release on third-quarter 2019 revenue as well as the related business review and reporting schedules at 30 September 2019.

In early 2020, the Audit Committee organised a meeting with the Group's Statutory Auditors without any members of the Group executive team being present.

THE NOMINATIONS AND COMPENSATION COMMITTEE

The Nominations and Compensation Committee met twice in 2019 with a 100% attendance rate.

During these meetings, it:

- calculated and approved the variable compensation for the Company's executive management team for 2018;
- determined the criteria for setting the variable compensation of the Company's executive management team for 2019;
- drew up the information to be included in the shareholders' say on pay votes;
- examined executive succession plans;
- studied the principle of putting in place a performance share plan in 2019 and the related terms and conditions;
- set the budget for directors' remuneration for 2019;
- examined the independence criteria applicable to the members of the Board of Directors.

Restrictions on the powers of the Chairman & CEO and the CFO & Deputy CEO

The Company's executive management team is headed by Dominique Louis, who was re-appointed as Chairman & CEO by the Board of Directors at its meeting on 16 May 2017. At that same meeting the Board re-iterated its decision not to separate the roles of Chairman and Chief Executive Officer.

The Board has decided not to place any restrictions on the powers of the Chairman & CEO other than the applicable statutory and regulatory restrictions and those set out in its Rules of Procedure. The Rules of Procedure state that for internal procedural purposes, the Chairman & CEO must obtain the Board's prior authorisation before (i) carrying out any acquisition or disposal or forming a joint venture where the total value of the transaction exceeds €20 million, and (ii) carrying out any major internal restructuring(s).

The Company's Articles of Association do not provide for any additional restrictions on the Chairman & CEO's powers.

On 5 June 2015, the Board decided that in his capacity as CFO & Deputy CEO, Philippe Chevallier would have the same powers vis à vis third parties as the Chairman & CEO. However, for internal procedural purposes, Mr. Chevallier has the powers set out in the Board's Rules of Procedure, it being specified that his scope of responsibility is limited to the Company's financial, legal and compliance matters.

4.2 COMPENSATION OF CORPORATE OFFICERS

Presentation of the say on pay procedure

The say on pay procedure in France was amended in 2019 by French governmental order no. 2019-1234 of 27 November 2019 and Decree no. 2019-1235 of the same date, issued following Act no. 2019-486 of 22 May 2019 (known as the "Pacte Act"). This legislation also transposed into French law EU Directive no. 2017/828 of 17 May 2017 (known as "SRD II").

Following these amendments, the say on pay procedure now requires the following:

- in application of Article L. 225-37-2 of the French Commercial Code, an *ex ante* vote by the shareholders at the Annual General Meeting on the compensation policy for corporate officers for the current year, as presented in the Board of Directors' report on corporate governance;
- in application of Article L. 225-100 II of the French Commercial Code, an *ex post* vote by the shareholders at the Annual General Meeting on the disclosures made pursuant to Article L. 225-37-3 I of the French Commercial Code as presented in the Board of Directors' report on corporate governance;
- in application of Article L. 225-100 III of the French Commercial Code, an ex post vote by the shareholders at the Annual General Meeting on the total compensation and benefits paid during, or allocated for, the previous year to each executive officer.

In order to make the resolutions as clear as possible, for the purpose of the ex ante vote, the Company has voluntarily decided that at its Annual General Meeting, as well as submitting the overall resolution on the compensation policy for corporate officers required under Article L. 225-37-2 of the French Commercial Code, it will also put forward specific resolutions concerning the compensation policy for the Chairman & CEO, the CFO & Deputy CEO and the non-executive directors.

4.2.1 COMPENSATION POLICIES FOR THE CORPORATE OFFICERS

The compensation policies for Assystem's corporate officers are defined by the Board of Directors, based on the recommendation of the Nominations and Compensation Committee, and are submitted for shareholder approval at the Annual General Meeting as required under the applicable regulations.

The aim of these compensation policies is to ensure the Company's long-term future by putting in place a compensation structure that is consistent with market practices so that Assystem can attract and retain high-quality profiles with the experience and expertise that will help the Group to successfully implement its strategy.

The compensation policies are in the Company's best interests as they enable it to attract and retain talented corporate officers while being adapted to the level of responsibility of each one, as is the practice of comparable companies. They are also in line with the Company's commercial strategy in view of the fact that executive officers' compensation packages include variable compensation, which gives them an interest in the Group's revenue and earnings.

As provided for under the applicable regulations, in exceptional circumstances the Board of Directors may apply exceptions to the compensation policies described below.

4.2.1.1 2020 compensation policy for the non-executive directors

The compensation of Assystem's non-executive directors is based on (i) the directors' actual attendance at Board and Committee meetings and (ii) their level of responsibility.

At the Annual General Meeting of 16 May 2019, the Company's shareholders set the maximum total amount of remuneration payable to non-executive directors for their directorship duties at €200,000 for 2019.

For the allocation of this overall remuneration among the individual non-executive directors for 2019, acting on the recommendation of the Nominations and Compensation Committee, on 12 March 2019, the Board of Directors decided on the following proportional weightings of remuneration based on each director's responsibilities:

- Director (independent + Tikehau Capital) 1
- Member of the Audit Committee 1+0.25
- Chair of the Audit Committee 1+1
- Member of the Compensation Committee 1+0.25
- Chair of the Compensation Committee 1+0.5

For the purpose of clarity, if a director holds several different Committee positions, the proportion allocated for their directorship is only counted once.

Absenteeism is taken into account in excess of one absence. If a director's absentee rate is over 50% in any given year, they do not receive any directors' remuneration for that year.

The remuneration due to the non-executive directors for their directorship duties was paid in December 2019.

At its meeting on 9 March 2020, the Board of Directors decided that at the upcoming Annual General Meeting it will ask shareholders to set the aggregate maximum amount of remuneration payable to members of the Board of Directors for their directorship duties at €260,000 as from 2020. This increase is being proposed in order to take into account the new directors being put forward for election, which will raise the total number of directors on the Board (fifteenth resolution).

The above-described compensation policy for non-executive directors will be submitted to the shareholders for approval at the 26 June 2020 Annual General Meeting (in the sixteenth and nineteenth resolutions), in accordance with Article L. 225-37-2 of the French Commercial Code.

4.2.1.2 2020 compensation policy for executive officers

At 31 December 2019, the Company's executive officers were:

- Dominique Louis, Chairman & CEO since 22 May 2014;
- Philippe Chevallier, CFO & Deputy CEO since 5 June 2015.

Principles and structure of the 2020 compensation policy for executive officers

GENERAL PRINCIPLES APPLICABLE TO THE EXECUTIVE OFFICERS' COMPENSATION POLICY

The Board of Directors sets the general principles of the Company's compensation policy for its executive officers, based on proposals put forward by the Nominations and Compensation Committee. This compensation policy takes into account the following principles:

- achieving a balanced structure between the various compensation components. To this end, the Nominations and Compensation Committee must ensure that each compensation package is in the Company's best interests and that the underlying reasons for its components are disclosed;
- ensuring that compensation packages are determined in a comprehensive way, with all compensation components taken into account for setting the overall amount;
- the Board of Directors and the Nominations and Compensation Committee must take care to ensure that the interests of the executive management team are aligned with those of the Company's shareholders;
- respecting the concept of comparability, whereby the Board of Directors and the Nominations and Compensation Committee must align executive officers' compensation packages with market practices, taking into account each officer's specific roles and responsibilities, the work they actually carry out and their performance;
- creating a clear framework. In other words, the Nominations and Compensation Committee and the Board of Directors must ensure that the rules are straightforward, consistent and transparent and that the performance criteria used correspond to the Company's objectives and are clear, exacting and – wherever possible – cover a suitably long period;
- complying with the principle of proportionality, namely striking the right balance between the various compensation components and taking into account the best interests of both the Company and its stakeholders, as well as market practices and the performance of the executive officers;
- preventing conflicts of interest. Neither of the executive officers is a member of the Nominations and Compensation Committee;
- ensuring that the structure of the executive officers' compensation packages is consistent with the compensation and employment conditions of the Company's employees.

STRUCTURE OF THE EXECUTIVE OFFICERS' COMPENSATION PACKAGES FOR 2020

The executive officers' compensation packages comprise annual fixed and variable compensation, both of which are cash-settled (see below for details). Assystem's executive officers do not receive any other form of compensation for the duties they perform and offices they hold within the Company or the Group. In certain highly specific circumstances, and in accordance with the principles set out in the Middlenext Code, the Board may, on a discretionary basis, grant exceptional compensation to any current or newly-appointed executive officers. In the same way as for variable compensation, the payment of any such exceptional compensation would be subject to shareholder approval, as required under Article L. 225-100 of the French Commercial Code.

The executive officers may also be entitled to indemnities or benefits if their duties are terminated, namely:

- a non-competition indemnity;
- a termination benefit.

If an executive officer is entitled to such an indemnity and/or benefit, in accordance with the recommendations of the Middlenext Code, the aggregate amount payable may not exceed a cap corresponding to two years' worth of the fixed and variable compensation of the executive officer concerned.

The Company's compensation policy for its executive officers is regularly adapted in line with market practices for listed companies. The structure of the executive officers' compensation packages is reviewed each year by the Board of Directors – which sets the various components of the packages based on the recommendations of the Nominations and Compensation Committee – and will be submitted for shareholder approval in the sixteenth, seventeenth and eighteenth resolutions of the Annual General Meeting to be held on 26 June 2020, in accordance with Article L. 225-37-2 of the French Commercial Code.

2020 COMPENSATION POLICY FOR THE CHAIRMAN & CEO

Fixed compensation

Dominique Louis' fixed compensation is set by the Board of Directors based on recommendations issued by the Nominations and Compensation Committee.

Dominique Louis does not receive any fixed compensation for his role as Chairman of the Board of Directors or as Chief Executive Officer. For the purposes of completeness, it should be noted that HDL and HDL Development[1] have signed (i) a services agreement relating to HDL's remuneration as Chair of HDL Development and (ii) a services agreement under which HDL undertook to provide services to HDL Development involving strategy definition, management, organisation and oversight for the Assystem Group (see Section 4.2.1.3. below). Under this agreement, in 2019 HDL Development paid HDL fixed compensation of €348,000 (excl. VAT), of which €174,000 (excl. VAT) was rebilled to Assystem in accordance with an agreement entered into between HDL Development and Assystem.

Variable compensation

Dominique Louis does not receive any variable compensation for his roles as Chairman of the Board of Directors or Chief Executive Officer.

The above-mentioned agreements between HDL and HDL Development and between HDL Development and Assystem respectively provide for (i) the payment by HDL Development to HDL of variable compensation amounting to a maximum €800,000 (excl. VAT), and (ii) said variable compensation to be rebilled by HDL Development to Assystem.

At the Board of Directors' meeting on 9 March 2020, acting on a recommendation issued on the same date by the Nominations and Compensation Committee, the Board decided that HDL's variable compensation for 2020 would be based on two criteria, assessed by reference to a pro forma scope of consolidation in order to neutralise the effect of certain changes in the Group's structure. These criteria are (i) the Company's consolidated revenue, accounting for of two thirds of the maximum amount referred to below, and (ii) the Company's consolidated EBITA (including the share of profit of equity-accounted investees but excluding the share of profit of Expleo Group), accounting for one third of said maximum amount. EBIT corresponds to operating profit (including the share of profit of equity-accounted investees whose business is directly related to the business of the Company's fully-consolidated entities) before share-based payment expense (free shares/performance shares and stock options), acquisition costs, capital gains and losses arising on business divestments, and non-recurring income and expenses resulting from unusual, atypical and infrequent events.

The amount actually payable in relation to these criteria will be calculated on a straight-line basis between a floor (i.e. the level below which the criterion is deemed not to have been met) and a cap (i.e. the level at which the criterion is deemed to have been fully met). The floors and caps set for the criteria cannot be disclosed as they are strategically and financially sensitive.

In accordance with the above-mentioned agreement between HDL and HDL Development, the total maximum amount of this variable compensation for 2020 will be €800,000 (excl. VAT), unchanged from 2019. The amount actually payable will be billed to Assystem in accordance with the agreement between HDL Development and Assystem.

Long-term and exceptional compensation

Dominique Louis does not receive any compensation classified as "long-term", such as performance shares, or any exceptional compensation in his capacity as a corporate officer of Assystem.

Directors' remuneration

Dominique Louis does not receive any remuneration specifically for his duties as a director of Assystem (formerly referred to as directors' fees).

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(1) Dominique Louis owns 100% of HDL, which in turn controls HDL Development.

Compensation for termination of duties

- Non-competition indemnity.

Dominique Louis is not eligible for any non-competition indemnity in connection with his corporate office, as he is not subject to a non-competition clause.

- Termination benefit.

Dominique Louis is not eligible for any termination benefit in connection with his corporate office in the event of a forced departure from the Company.

Employment contract

Dominique Louis does not have an employment contract with the Company.

Benefits in kind

Dominique Louis has the use of a company car which represents a benefit in kind.

Supplementary pension plan

Dominique Louis is not a member of an Assystem supplementary pension plan in his capacity as a corporate officer.

If a new Chairman & CEO were to be appointed or if these two positions were to be separated and a new Chief Executive Officer or Chairman of the Board of Directors appointed, the compensation principles described below in relation to the CFO & Deputy CEO would apply temporarily until a new compensation policy is approved by the shareholders in accordance with the applicable legislation.

2020 COMPENSATION POLICY FOR THE CFO & DEPUTY CEO

Fixed compensation

Philippe Chevallier receives annual gross fixed compensation of €336,000.

Variable compensation

Philippe Chevallier receives annual gross basic variable compensation of up to €300,000, depending on the achievement of objectives set each year.

At the Board of Directors' meeting on 9 March 2020, acting on a recommendation issued on the same date by the Nominations and Compensation Committee, the Board decided that Philippe Chevallier's variable compensation for 2020 would be based on two criteria, assessed by reference to a pro forma scope of consolidation in order to neutralise the effect of certain changes in the Group's structure. These criteria are (i) the Company's consolidated revenue, accounting for two thirds of the maximum amount referred to below, and (ii) the Company's consolidated EBITA (including the share of profit of equity-accounted investees but excluding the share of profit of Expleo Group), accounting for one third of said maximum amount. EBIT corresponds to operating profit (including the share of profit of equity-accounted investees whose business is directly related to the business of the Company's fully-consolidated entities) before share-based payment expense (free shares/performance shares and stock options), acquisition costs, capital gains and losses arising on business divestments, and non-recurring income and expenses resulting from unusual, atypical and infrequent events.

The amount payable in relation to these criteria will be calculated on a straight-line basis between a floor (i.e. the level below which the criterion is deemed not to have been met) and a cap (i.e. the level at which the criterion is deemed to have been fully met). The floors and caps set for the criteria cannot be disclosed as they are strategically and financially sensitive.

Philippe Chevallier may also receive additional compensation amounting to a maximum of €60,000 for 2020 if the caps on the above performance criteria are exceeded. Consequently, the maximum aggregate potential amount of his variable compensation for 2020 is €360,000.

The Board of Directors has also decided that if a new executive officer were to be appointed, these same principles would apply to the variable compensation of the person concerned. If the new executive officer were appointed during the second half of a given year, the Board of Directors may assess his or her performance on a discretionary basis.

Long-term and exceptional compensation

Philippe Chevallier does not receive any compensation classified as "long-term", such as performance shares, or any exceptional compensation in connection with any offices he holds within any Group company.

Directors' remuneration

Philippe Chevallier does not receive any directors' remuneration for any directorships within the Group.

Compensation for termination of duties

- Non-competition indemnity

Philippe Chevallier is not eligible for any non-competition indemnity in connection with his position as a corporate officer of Assystem as he is not subject to a non-competition clause.

- Termination benefit

On 9 March 2016, the Board of Directors agreed that if, for any reason, Philippe Chevallier's term of office as CFO & Deputy CEO were to be terminated by the Company before the Annual General Meeting to be held in 2020 to approve the 2019 financial statements, then he would be entitled to a termination benefit of €500,000. The Board felt that this benefit – which took retroactive effect from 5 June 2015 – was appropriate in view of the nature of Philippe Chevallier's office.

Payment of this termination benefit was, however, subject to the following conditions:

- the Statutory Auditors must have signed off on the consolidated financial statements, without any reservations and within the legally prescribed timeframe, throughout Philippe Chevallier's term of office;
- average ROCE (after standard-rate tax) must have amounted to at least 6% for the three financial years preceding his departure.

The termination benefit was not payable in the event of gross negligence or wilful misconduct.

This entitlement to a termination benefit will not be renewed and therefore Philippe Chevallier will no longer be eligible for the payment of a termination benefit in the event of a forced departure from the Group as from the 2020 Annual General Meeting.

Employment contract

Philippe Chevallier does not have an employment contract.

Benefits in kind

Philippe Chevallier has the use of a company car which represents a benefit in kind. Previously, he was covered by an unemployment insurance policy specifically set up for executive officers but this policy was not renewed for 2020.

Supplementary pension plan

Philippe Chevallier is not a member of an Assystem supplementary pension plan.

If one or more new Deputy CEOs were to be appointed, the principles applicable to the CFO & Deputy CEO would apply for determining their compensation policy, although the amount could vary depending on the profile, experience and level of responsibility of the new Deputy CEO.

4.2.1.3 Report on the corporate officers' compensation for 2019

In accordance with the new provisions of Articles L. 225-37-3 and L. 225-100 of the French Commercial Code, the shareholders at the Annual General Meeting are required to vote each year on (i) the disclosures made pursuant to Article L. 225-37-3 I of the French Commercial Code, notably relating to the total compensation and benefits paid during, or allocated for, the previous year to all of the Company's corporate officers, and (ii) the total compensation and benefits paid during, or allocated for, the previous year to each executive officer.

Consequently, at the 26 June 2020 Annual General Meeting, shareholders will be asked to vote in favour (in the twentieth, twenty-first and twenty-second resolutions) of the following components of compensation paid during, or allocated for, 2019 to the Company's corporate officers.

COMPONENTS OF COMPENSATION PAID DURING, OR ALLOCATED FOR, 2019 TO THE NON-EXECUTIVE DIRECTORS

The components of compensation paid during, or allocated for, 2019 to the Company's non-executive directors – which will be submitted to shareholders for approval at the 26 June 2020 Annual General Meeting in accordance with Article L. 225-100 of the French Commercial Code – are as follows:

Name	Title	Amounts paid during, or allocated for, 2018 *(in €)*	Amounts paid during, or allocated for, 2019 *(in €)*
Gilbert Lehmann	Director, Chairman of the Audit Committee and member of the Nominations and Compensation Committee	69,107	69,231
Miriam Maes	Director, Chair of the Nominations and Compensation Committee and member of the Audit Committee	53,750	53,846
Tikehau Capital	Director, member of the Audit Committee and member of the Nominations and Compensation Committee	46,071	43,077
Virginie Calmels	Director	30,714	30,769
Total		**199,643**	**196,923**

COMPONENTS OF COMPENSATION PAID DURING, OR ALLOCATED FOR, 2019 TO DOMINIQUE LOUIS AND PHILIPPE CHEVALLIER

DOMINIQUE LOUIS

Following the formation of HDL Development and its successful takeover bid for Assystem shares, two related party agreements were signed on 1 April 2014 between HDL and HDL Development:

- a services agreement relating to HDL's compensation as Chair of HDL Development. In 2019, €200,000 (excl. VAT) was paid to HDL under this agreement;
- a services agreement (amended on 1 October 2014, 29 April 2015, 7 March 2017 and 15 March 2018) under which HDL undertook to provide services to HDL Development involving strategy definition, management, organisation and oversight for the Assystem Group in return for compensation comprising a fixed and variable portion.

In accordance with this second agreement, HDL Development paid HDL fixed compensation of €348,000 (excl. VAT) for 2019 (as for previous years). Of this amount, €174,000 (excl. VAT) was rebilled to Assystem as provided for in an agreement signed between HDL Development and Assystem.

In addition, in application of the Board of Directors' decision of 13 March 2019, taken on the basis of the Nomination and Compensation Committee's recommendation of 12 March 2019, this agreement provided for the payment of variable compensation for 2019 representing up to €800,000 (excl. VAT). As stated in the agreement entered into between HDL Development and Assystem, if earned, this variable compensation was to be rebilled to Assystem, with its amount based wholly on Assystem's consolidated EBITA (including the share of profit of equity-accounted investees but excluding the share of profit of Expleo Group). The amount actually payable was determined on a straight-line basis between a floor (i.e., the level below which the criterion was deemed not to have been met) and a cap (i.e. the level at which the criterion was deemed to have been fully met), it being specified that EBITA corresponds to operating profit (including the share of profit of equity-accounted investees whose business is directly related to the business of the Company's fully-consolidated entities) before share-based payment expense (free shares/performance shares and stock options), acquisition costs, capital gains and losses arising on business divestments, and non-recurring income and expenses resulting from unusual, atypical and infrequent events.

Acting on the recommendation of the Nominations and Compensation Committee, and based on an analysis of the criterion that was set, at its meeting on 9 March 2020, the Board of Directors decided to award HDL variable compensation amounting to €423,000 (excl. VAT) for 2019. The payment of this variable compensation is subject to approval of the twenty-first resolution that will be put the shareholders' vote at the Annual General Meeting on 26 June 2020.

No stock options or performance shares were awarded to Dominique Louis for 2019.

PHILIPPE CHEVALLIER

At its 9 March 2016 meeting, the Board unanimously decided to set Philippe Chevallier's compensation as CFO & Deputy CEO as follows:

- gross annual fixed compensation of €315,000;
- gross annual variable compensation of up to €300,000 depending on the achievement of performance targets set each year.

In application of the Board of Directors' decision of 13 March 2019, taken on the basis of the Nominations and Compensation Committee's recommendation of 12 March 2019, Philippe Chevallier's variable compensation for 2019 was based wholly on Assystem's consolidated EBITA (including the share of profit of equity-accounted investees but excluding the share of profit of Expleo Group). The amount actually payable in relation to this criterion was determined on a straight-line basis between a floor (i.e., the level below which the criterion was deemed not to have been met) and a cap (i.e. the level at which the criterion was deemed to have been fully met), it being specified that EBITA corresponds to operating profit (including the share of profit of equity-accounted investees whose business is directly related to the business of the Company's fully-consolidated entities) before share-based payment expense (free shares/performance shares and stock options), acquisition costs, capital gains and losses arising on business divestments, and non-recurring income and expenses resulting from unusual, atypical and infrequent events.

At its 9 March 2020 meeting, acting on the recommendation of the Nominations and Compensation Committee, and based on an analysis of the criterion that was set, the Board of Directors decided to award Philippe Chevallier variable compensation amounting to €300,000 for 2019. The payment of this variable compensation is subject to approval of the twenty-second resolution that will be put the shareholders' vote at the Annual General Meeting on 26 June 2020.

No stock options or performance shares were awarded to Philippe Chevallier for 2019.

Pay ratios for the executive officers in 2019

This Section of this report was drawn up pursuant to sub-section 6 of Article L. 225-37-3 I of the French Commercial Code. It presents, for the past five years, the ratios between the total annual compensation paid to the Company's executive officers (including the amounts paid to HDL via HDL Development) and (i) the average compensation of the Company's employees, excluding the corporate officers (on a full-time equivalent (FTE) basis) and (ii) the median compensation of the Company's employees, excluding the corporate officers (on an FTE basis).

	2015		2016		2017		2018		2019	
Executive officer	Ratio – average employee compensation	Ratio – median employee compensation	Ratio – average employee compensation	Ratio – median employee compensation	Ratio – average employee compensation	Ratio – median employee compensation	Ratio – average employee compensation	Ratio – median employee compensation	Ratio – average employee compensation	Ratio – median employee compensation
Dominique Louis	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	1.85	1.92	1.38	1.39
Philippe Chevallier	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	4.64	4.83	2.61	2.63

* *In 2015, 2016 and 2017, the Company did not have any employees and the only compensation it paid was to the executive officers.*

Changes in compensation policies

This Section of this report was drawn up pursuant to sub-section 7 of Article L. 225-37-3 I of the French Commercial Code, and presents year-on-year changes in compensation, the Company's performance, the average compensation of the Company's employees excluding the executive officers (on an FTE basis), and the pay ratios set out in the Section above, for the past five years:

	2015	2016	2017	2018	2019
Annual compensation paid during the year					
Chairman & CEO					
Compensation	€253,600	€253,600	€253,600	€253,600	€203,600
Change vs. previous year		0%	0%	0%	-20%
Ratio – average employee compensation		N/A	N/A	1.85	1.38
Change vs. previous year	N/A	N/A	N/A	N/A	-25%
Ratio – median employee compensation		N/A	N/A	1.92	1.39
Change vs. previous year	N/A	N/A	N/A	N/A	-28%
CFO & Deputy CEO					
Compensation	€296,855*	€571,196	€626,519	€635,959	€385,627
Change vs. previous year		N/A*	+10%	+2%	-39%
Ratio – average employee compensation		N/A	N/A	4.64	2.61
Change vs. previous year	N/A	N/A	N/A	N/A	-44%
Ratio – median employee compensation		N/A	N/A	4.83	2.63
Change vs. previous year	N/A	N/A	N/A	N/A	-46%
Directors					
Remuneration (formerly directors' fees)	€155,000	€193,846	€210,866	€199,643	€196,923
Change vs. previous year		+26%	+8%	-5%	-1%
Company employees (FTE)					
Average compensation		N/A	N/A	€137,184	€147,854
Change vs. previous year	N/A	N/A	N/A	N/A	+8%
Company performance					
EBITA	N/A**	€22.1m**	€26.0m	€26.6m	€35.2m
Change vs. previous year		N/A**	+18%	+2%	+32%

* *The CFO & Deputy CEO began his first term of office on 5 June 2015. He joined the Company on 1 January 2015 as CFO and Chief Legal Officer. The compensation presented for 2015 includes all of the compensation paid to him during the year. The variable compensation allocated to the CFO & Deputy CEO for 2015 was paid in 2016 and therefore in the table above is included in the compensation presented for 2016.*

** *2016 EBITA corresponds to a pro forma EBITA figure restated to take into account the sale of the GPS division that took place in 2017. A pro forma EBITA figure for 2015 is not available.*

Summary of compensation paid during, or allocated for, 2019 to all of the Company's corporate officers

The components of the compensation paid during, or allocated for, 2019, as set out in this Section 4.2.1.3, comply with the compensation policies which were approved by a very large majority of shareholders at the 16 May 2019 Annual General Meeting.

Components of compensation of the Company's executive officers (disclosed in accordance with AMF recommendation no. 2014-14)

The tables disclosing executive officers' compensation, presented in accordance with AMF recommendation no. 2014-14, are set out below. The information contained in these tables was prepared by reference to the Middlenext Corporate Governance Code (revised version dated September 2016), which the Company adopted in June 2019 as its corporate governance reference framework in replacement of the AFEP-MEDEF Corporate Governance Code.

TABLE 1 – SUMMARY OF COMPENSATION DUE AND STOCK OPTIONS AND PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE OFFICER

Dominique Louis **Chairman & CEO**	**2018**	**2019**
Compensation due for the year (detailed in table 2)	€253,600	€626,600
Valuation of multi-year variable compensation granted during the year	None	None
Valuation of stock options granted during the year (detailed in table 4)	None	None
Valuation of performance shares awarded during the year (detailed in table 6)	None	None
Total	**€253,600**	**€626,600**

Philippe Chevallier **CFO & Deputy CEO**	**2018**	**2019**
Compensation due for the year (detailed in table 2)	€385,959	€635,627
Valuation of multi-year variable compensation granted during the year	None	None
Valuation of stock options granted during the year (detailed in table 4)	None	None
Valuation of performance shares awarded during the year (detailed in table 6)	None	None
Total	**€385,959**	**€635,627**

TABLE 2 – SUMMARY OF THE COMPENSATION AND BENEFITS OF EACH EXECUTIVE OFFICER

Dominique Louis **Chairman & CEO**	**Amounts for 2018**		**Amounts for 2019**	
	Due	**Paid**	**Due**	**Paid**
Fixed compensation *(paid by (i) HDL Development for HDL's role as Chair of HDL Development and (ii) Assystem for Dominique Louis' role as Chairman of the Board of Directors of Assystem)*	€250,000	€250,000	€200,000	€200,000
Variable compensation	None	None	€423,000 paid in 2020 for 2019*	None
Exceptional compensation	None	None	None	None
Directors' remuneration	None	None	None	None
Benefits in kind	€3,600	€3,600	€3,600	€3,600
Total	**€253,600**	**€253,600**	**€626,600**	**€203,600**

* *Subject to shareholders' approval at the Annual General Meeting of 26 June 2020.*

Philippe Chevallier **CFO & Deputy CEO**	**Amounts for 2018**		**Amounts for 2019**	
	Due	**Paid**	**Due**	**Paid**
Gross fixed compensation	€315,000	€315,000	€315,000	€315,000
Variable compensation	€50,000 paid in 2019 for 2018	€300,000 paid in 2018 for 2017	€300,000 paid in 2020 for 2019*	€50,000 paid in 2019 for 2018
Exceptional compensation	None	None	None	None
Directors' remuneration	None	None	None	None
Benefits in kind	€20,959	€20,959	€20,627	€20,627
Total	**€385,959**	**€635,959**	**€635,627**	**€385,627**

* *Subject to shareholders' approval at the Annual General Meeting of 26 June 2020.*

TABLE 3 – REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS

See Section 4.2.1.3 of this Universal Registration Document.

TABLE 4 – STOCK OPTIONS AWARDED DURING THE YEAR TO EACH EXECUTIVE OFFICER

None.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE OFFICER

None.

TABLE 6 – PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE OFFICER IN ACCORDANCE WITH THE LAWS AND REGULATIONS IN FORCE AT THE AWARD DATE

None for the past three years.

TABLE 7 – PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE YEAR FOR EACH EXECUTIVE OFFICER

None.

TABLE 8 – HISTORY OF STOCK OPTION AWARDS

None.

TABLE 9 – STOCK OPTIONS AWARDED TO AND EXERCISED BY THE GROUP'S TEN EMPLOYEES (OTHER THAN EXECUTIVE OFFICERS) WHO RECEIVED THE LARGEST NUMBER OF OPTIONS

None.

TABLE 10 – HISTORY OF PERFORMANCE SHARE GRANTS

None.

TABLE 11 – EMPLOYMENT CONTRACTS, PENSION BENEFITS AND TERMINATION BENEFITS

	Employment contract		Supplementary pension plan		Eligible for compensation in the event of termination or a change in duties		Eligible for compensation under a non-competition clause	
Executive officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Dominique Louis Chairman & CEO *Start of current term of office: 22 May 2014* *End of current term of office: 26 June 2020*		No		No		No		No
Philippe Chevallier CFO & Deputy CEO *Start of first term of office: 5 June 2015 Renewal of term of office: 9 March 2020* *End of current term of office: AGM to be held in 2023 to approve the 2022 financial statements*		No		No		No		No

4.3 ADDITIONAL INFORMATION

The procedures for attending General Shareholders' Meetings are described in Chapter 6, Section 6.1 of this Universal Registration Document.

Information on regulated related-party agreements and commitments is provided in Chapter 7 of this Universal Registration Document.

5

BUSINESS REVIEW AND FINANCIAL STATEMENTS

5.1 THE GROUP'S RESULTS

5.1.1 KEY FIGURES

In millions of euros	2019	2018	Year-on-year change
Revenue	497.5	444.1	+12.0%
Operating profit before non-recurring items – EBITA(1)	35.2	26.6	+32.3%
% of revenue	*7.1%*	*6.0%*	*+1.1 pts*
Consolidated profit for the period(2)	27.9	19.9	+40.2%
Net debt(3)	51.6	31.1	-
Dividend per share (in euros)(4)	1.00	1.00	-

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees other than Expleo Group (€0.8 million in 2018 and €0.9 million in 2019). The Group's first-time application of IFRS 16 had a €0.5 million positive impact on EBITA in 2019, adding 0.1% to EBITA margin.
(2) Including profit attributable to non-controlling interests: €0.5 million in 2018 and €0.9 million in 2019. Profit for the period attributable to owners of the parent therefore totalled €19.4 million in 2018 and €27.0 million in 2019. The Group's first-time application of IFRS 16 had a €0.4 million negative impact on consolidated profit for 2019.
(3) Debt less cash and cash equivalents and after taking into account the fair value of hedging instruments. The figure presented does not include lease liabilities recognized on the application of IFRS 16.
(4) For 2019, the figure corresponds to the dividend that will be recommended at the Annual General Meeting on 26 June 2020.

5.1.2 REVENUE BY DIVISION

In millions of euros	2019	2018	Total year-on-year-change
Group	497.5	444.1	+12.0%
Energy & Infrastructure	446.2	391.3	+14.0%
Staffing	43.8	44.2	-0.8%
Other	7.5	8.6	-

Assystem's consolidated revenue advanced 12.0% in 2019, breaking down as 10.0% in like-for-like growth, a 1.0% increase due to changes in the scope of consolidation (consolidation of ASCO as from 1 October 2019 which operates in both the Nuclear and ET&I sectors) and a 1.0% positive currency effect.

Revenue from the Energy & Infrastructure division climbed 14.0% to €446.2 million, with 12.2% like-for-like growth, a 1.2% favourable impact from changes in scope of consolidation and a 0.6% positive currency effect. Nuclear activities kept up a very brisk pace of growth, with revenue jumping 20.3% to €301.9 million (with 18.6% like-for-like growth). Revenue for ET&I rose 2.9% to €144.3 million (with like-for-like growth of 0.9%).

Revenue for the Staffing division edged down 0.8% to €43.8 million, including a positive 4.1% currency effect.

5.1.3 RESULTS OF OPERATIONS AND FINANCIAL POSITION

5.1.3.1 Operating profit before non-recurring items (EBITA)

Consolidated EBITA surged 32.3% to €35.2 million in 2019 from €26.6 million in 2018. The 2019 figure includes a €0.5 million positive impact from the first-time application of IFRS 16, "Leases", which solely affected the Energy & Infrastructure (E&I) division. EBITA margin widened considerably year on year, to 7.1% from 6.0%.

EBITA for the E&I division totalled €36.9 million (including the €0.5 million IFRS 16 impact) and EBITA margin was 8.3% (8.2% excluding IFRS 16), versus €27.3 million and 7.0% respectively in 2018.

Staffing EBITA contracted to €1.2 million from €1.8 million in 2018 and its EBITA margin was 2.8% versus 4.0%. This division's EBITA performance was adversely affected in 2019 by lower margins on its highest-contributing contract.

The Group's "Holding company" expenses, net of the EBITA of the activities classified in the "Other" category, had a €2.9 million negative impact on consolidated EBITA in 2019 versus a €2.5 million negative impact in 2018.

Consolidated EBITDA(1) came to €48.4 million in 2019. Excluding the impact of IFRS 16, it totalled €39.1 million (7.9% of revenue), compared with €31.0 million in 2018 (7.0% of revenue).

5.1.3.2 Operating profit and other income statement items

After taking into account €6.9 million in net non-recurring expense for the year and €1.0 million in share-based payments, consolidated operating profit totalled €27.3 million, versus €25.7 million in 2018.

(1) EBITA before net depreciation expense and net additions to provisions for recurring operating items.

Out of the overall net non-recurring expense figure for 2019, the bulk – i.e. €6.1 million – corresponded to impairment losses recognised against the residual goodwill of the Staffing division in view of its revenue and operating profit outlook.

The contribution to Assystem's consolidated profit by Expleo Group – in which Assystem holds a 38.2% interest – was €13.6 million. This figure breaks down as (i) €4.5 million for Assystem's share of Expleo Group's profit taking into account a €6.0 million share of restructuring costs in France, Germany and the United Kingdom, and (ii) €9.1 million in coupons on Expleo Group convertible bonds

Assystem recorded a net financial expense of €1.3 million in 2019, including a €2.4 million dividend received by Assystem on its 5% stake in Framatome.

After deducting €11.2 million in income tax expense, consolidated profit for the period totalled €27.9 million, against €19.9 million in 2018.

INFORMATION ON THE REVENUE AND EBITDA GENERATED IN 2019 BY EXPLEO GROUP

Revenue generated by Expleo Group in 2019 came in at €1,084.1 million, versus €1,042.7 million in 2018.

The overall 4.0% year-on-year growth was almost entirely due to changes in the scope of consolidation, notably the full-year effect in 2019 of including the Quality Management Consulting segment (QMC, formerly SQS), which has been consolidated since 1 February 2018. Expleo Group's like-for-like growth was hampered in 2019 by the one-off effect of losing a contract in the aeronautics sector in the United Kingdom and a change in QMC's business mix.

Expleo Group's EBITDA amounted to €128.2 million (including a €19.6 million positive impact of IFRS 16), compared with €99.0 million in 2018. Excluding the IFRS 16 impact, EBITDA margin widened from 9.5% to 10.0% of revenue.

5.1.3.3 Free cash flow and net debt

At 31 December 2019, cumulative free cash flow[1] for the 24-month period covering 2018 and 2019 totalled €61.3 million (breaking down as €43.8 million for 2018 and €17.5 million for 2019, excluding the positive impact of the application of IFRS 16 as from 1 January 2019). This aggregate free cash flow figure represents 6.5% of total revenue for the same 24-month period. The imbalance between the 2019 and 2018 figures mainly reflects (i) the fact that a down payment was received for the K.A.CARE contract in late 2018, which was used in 2019 and (ii) high capital expenditure incurred in 2019 for the Group's new ERP system and for strengthening its IT security (representing roughly €8.0 million in total).

Assystem had net debt of €51.6 million at 31 December 2019 versus €31.1 million at end-2018. This €20.5 million year-on-year increase breaks down as follows:

- a €17.5 million decrease in debt as a result of free cash flow[2] (excluding the IFRS 16 impact);
- €22.2 million paid for acquisitions of shares and purchased goodwill (including €7.0 million for ASCO and €12.5 million in additional consideration on the stake acquired in Framatome);
- a €15.0 million dividend payment to Assystem's shareholders;
- a €0.8 million net cash outflow for other movements, including €2.4 million in dividends received on the Group's stake in Framatome, €1.7 million in interest paid on debt, €0.5 million paid out in relation to divested operations, and a net cash outflow for non-recurring income and expenses.

5.1.3.4 Recommended dividend for 2019

At the Annual General Meeting to be held on 26 June 2020, Assystem will recommend the payment of a dividend of €1.00 per share. If this dividend is approved by the shareholders, it would represent a total pay-out of €15 million[3].

5.1.4 OUTLOOK FOR 2020

On 9 March 2020, the Group communicated the following targets for 2020:

- consolidated revenue of €530 million, excluding the effect of any future acquisitions;
- EBITA margin on a par with 2019, with the operating leverage resulting from revenue growth offset by additional costs due to the implementation of the Group's new ERP system and IT security measures;
- free cash flow representing 4.5% of revenue (excluding the IFRS 16 impact), taking into account further significant capital expenditure on IT.

In view of the business sectors and geographic regions in which the Group operates, it had not at that stage identified any potential significant impacts of the Covid-19 epidemic on the achievement of its targets, although it did state that it could not provide assurance that such an impact would not arise.

On 20 March 2020, the Company issued a press release on the impact of Covid-19 – which had then become a pandemic – on Assystem's 2020 objectives. In this press release it stated that given the speed at which the pandemic was spreading, as well as the social distancing and lockdown measures put in place by governments, particularly in France, Assystem would not be in a position to meet the revenue, EBITA margin and free cash flow objectives for 2020 that it had announced on 9 March 2020.

The press release went on to say that as the situation currently stood, Assystem was unable to measure the net impact on its consolidated revenue and earnings that will be caused by Covid-19, and by the measures taken in the Group's various operating countries to halt the spread of the virus and alleviate its effects on companies.

(1) Corresponding to net cash generated from operating activities less capital expenditure, net of disposals. The amount of free cash flow stated here does not include the free cash flow of the operations sold in 2017.
(2) Free cash flow including the IFRS 16 impact amounted to €26.8 million.
(3) Corresponding to €1.00 multiplied by the 14,997,576 outstanding shares carrying dividend rights at 31 December 2019.

Assystem will issue an update on this net impact as soon as it can be estimated with a sufficient degree of reliability.

In addition, Assystem has decided to postpone its Annual General Meeting from its originally scheduled date of 14 May 2020 to 26 June 2020, with the aim of enabling shareholders that wish to attend to do so. The per-share dividend for 2019 that will be put to the shareholder vote at this AGM will still be €1.00. If this dividend is approved, it will be paid in the first two weeks of July 2020.

5.2 CONSOLIDATED FINANCIAL STATEMENTS

5.2.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Notes	31/12/2019*	31/12/2018
Goodwill	3.3	84.6	82.8
Intangible assets	6.1	12.2	4.7
Property. plant and equipment	6.2	10.5	7.6
Right-of-use assets	1	34.4	-
Investment property	6.3	1.4	1.4
Equity-accounted investees	5.2	1.0	0.7
Expleo Group shares	6.4	91.2	88.1
Expleo Group convertible bonds	6.4	111.4	102.2
Expleo Group shares and convertible bonds	6.4	202.6	190.3
Other non-current financial assets	6.5	143.8	129.1
Deferred tax assets	12.3	4.5	4.7
Non-current assets		495.0	421.3
Trade receivables	5.1	160.8	150.8
Other receivables	5.1	30.0	40.6
Income tax receivables		1.6	1.1
Other current assets		0.5	0.5
Cash and cash equivalents	8.1	29.2	32.4
Current assets		222.1	225.4
Total assets		**717.1**	**646.7**

* *The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. In accordance with this approach, comparatives for the 2018 reporting period have not been restated. The first-time application of this new standard had no impact on opening equity at 1 January 2019 (see Note 1 – Reporting entity and basis of preparation).*

The accompanying notes form an integral part of the consolidated financial statements.

EQUITY AND LIABILITIES

In millions of euros	Notes	31/12/2019*	31/12/2018
Share capital	7.1	15.7	15.7
Consolidated reserves		353.7	351.6
Profit for the period attributable to owners of the parent		27.0	19.4
Equity attributable to owners of the parent		396.4	386.7
Non-controlling interests		0.3	0.1
Total equity		396.7	386.8
Long-term debt and non-current financial liabilities	8.2	80.5	63.1
Lease liabilities	1	27.1	-
Pension and other employee benefit obligations	5.3.2	18.4	14.7
Liabilities related to share acquisitions	10	4.4	4.6
Long-term provisions	9.1	17.2	16.6
Other non-current liabilities	10	0.8	1.3
Deferred tax liabilities		-	-
Non-current liabilities		148.4	100.3
Long-term debt and non-current financial liabilities	8.2	0.3	0.4
Lease liabilities	1	7.7	-
Trade payables	5.1	32.7	31.0
Due to suppliers of non-current assets		1.2	0.8
Accrued taxes and payroll costs	5.1	95.4	89.1
Income tax liabilities		2.7	2.2
Liabilities related to share acquisitions	10	-	1.1
Short-term provisions	9.1	3.0	3.7
Other current liabilities	5.1	29.0	31.3
Current liabilities		172.0	159.6
Total equity and liabilities		**717.1**	**646.7**

* *The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. In accordance with this approach, comparatives for the 2018 reporting period have not been restated. The first-time application of this new standard had no impact on opening equity at 1 January 2019 (see Note 1 – Reporting entity and basis of preparation).*

The accompanying notes form an integral part of the consolidated financial statements.

5.2.2 CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	2019*	2018
Revenue	**5.1**	**497.5**	**444.1**
Payroll costs	5.3.1	(351.2)	(322.0)
Other operating income and expenses	5.4	(97.7)	(91.0)
Taxes other than on income		(1.1)	(0.9)
Depreciation, amortisation and provisions for recurring operating items, net	5.5	(13.2)	(4.4)
Operating profit before non-recurring items (EBITA)	**5.6**	**34.3**	**25.8**
Share of profit of equity-accounted investees	5.2	0.9	0.8
EBITA including share of profit of equity-accounted investees		**35.2**	**26.6**
Non-recurring income and expenses	5.6	(6.9)	(0.3)
Share-based payments		(1.0)	(0.6)
Operating profit	**5.6**	**27.3**	**25.7**
Share of profit/(loss) of Expleo Group	6.4	4.5	(6.2)
Income from Expleo Group convertible bonds	6.4	9.1	8.3
Net financial expense on cash and debt	8.5	(1.8)	(1.4)
Other financial income and expenses	8.5	0.5	-
Profit from continuing operations before tax		**39.6**	**26.4**
Income tax expense	12	(11.2)	(6.2)
Profit from continuing operations		**28.4**	**20.2**
Profit/(loss) from discontinued operations		(0.5)	(0.3)
Consolidated profit for the period		**27.9**	**19.9**
Attributable to:			
Owners of the parent		27.0	19.4
Non-controlling interests		0.9	0.5

In euros			
Basic earnings per share	7.3	1.83	1.32
Diluted earnings per share	**7.3**	**1.76**	**1.30**
Basic earnings per share from continuing operations	7.3	1.83	1.34
Diluted earnings per share from continuing operations	**7.3**	**1.81**	**1.33**
Basic earnings per share from discontinued operations		-	-
Diluted earnings per share from discontinued operations		**-**	**-**

* *The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. In accordance with this approach, comparatives for the 2018 reporting period have not been restated. The first-time application of this new standard had no impact on opening equity at 1 January 2019 (see Note 1 – Reporting entity and basis of preparation).*

The accompanying notes form an integral part of the consolidated financial statements.

5.2.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	2019*	2018
Consolidated profit for the period		27.9	19.9
Items of other comprehensive income/(expense) that will not be reclassified to profit			
Remeasurement of net liability for employee benefit obligations	5.3.1	(2.6)	0.5
Income tax effect		0.3	(0.1)
Remeasurement of the liability for employee benefit obligations (net of income tax effect)		(2.3)	0.4
Items of other comprehensive income/(expense) that may be reclassified subsequently to profit			
Gains and losses on hedging instruments	8.3	-	(0.4)
Income tax effect		-	-
Gains and losses on hedging instruments (net of income tax effect)		-	(0.4)
Currency translation differences		(0.4)	(5.0)
Total other comprehensive income/(expense)		(2.7)	(5.0)
Total comprehensive income for the period		**25.2**	**14.9**
Attributable to owners of the parent		24.4	14.5
Profit for the period		27.0	19.4
Other comprehensive income/(expense)		(2.6)	(4.9)
Attributable to non-controlling interests		0.8	0.4
Profit for the period		0.9	0.5
Other comprehensive income/(expense)		(0.1)	(0.1)

* *The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. In accordance with this approach, comparatives for the 2018 reporting period have not been restated. The first-time application of this new standard had no impact on opening equity at 1 January 2019 (see Note 1 – Reporting entity and basis of preparation).*

The accompanying notes form an integral part of the consolidated financial statements.

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5.2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	Notes	2019*	2018
Cash flows from operating activities			
EBITA including share of profit of equity-accounted investees		35.2	26.6
Depreciation, amortisation and provisions for recurring operating items, net	5.5	13.2	4.4
EBITDA		48.4	31.0
Change in operating working capital requirement	5.1	8.1	31.5
Income tax paid		(10.7)	(4.8)
Other cash flows		(3.8)	(7.4)
Net cash generated from operating activities		42.0	50.3
O/w related to continuing operations		*42.5*	*51.7*
O/w related to discontinued operations		*(0.5)*	*(1.4)*
Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets, net of disposals, o/w:		(15.8)	(7.9)
Acquisitions of property, plant and equipment and intangible assets	*6.6*	*(16.0)*	*(8.1)*
Proceeds from disposals of property, plant and equipment and intangible assets	*6.6*	*0.2*	*0.2*
Free cash flow		26.2	42.4
O/w related to continuing operations		*26.7*	*43.8*
O/w related to discontinued operations		*(0.5)*	*(1.4)*
Acquisitions of shares and purchased goodwill	3.2	(22.2)	(4.8)
Investment in Expleo Group in 2018		-	(60.7)
Other movements, net		4.4	(7.9)
Net cash generated from/(used in) investing activities		(33.6)	(81.3)
O/w related to continuing operations		*(33.6)*	*(81.3)*
O/w related to discontinued operations		-	-
Cash flows from financing activities			
Net financial income received/(expenses paid)		(1.7)	(1.1)
Proceeds from new borrowings	8.2	17.2	59.7
Repayments of borrowings and movements in other financial liabilities	8.2	(0.2)	(0.1)
Repayments of lease liabilities, including interest expense	1	(9.3)	-
Dividends paid	7.4	(17.2)	(15.7)
Other movements in equity of the parent company		0.2	(5.9)
Net cash generated from/(used in) financing activities		(11.0)	36.9
Net increase/(decrease) in cash and cash equivalents		**(2.6)**	**5.9**
Net cash and cash equivalents at beginning of year	**8.1**	**32.1**	**27.3**
Effect of non-monetary items and changes in exchange rates		(0.4)	(1.1)
Net increase/(decrease) in cash and cash equivalents		(2.6)	5.9
Net cash and cash equivalents at year-end	**8.1**	**29.1**	**32.1**

* *The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. In accordance with this approach, comparatives for the 2018 reporting period have not been restated. The first-time application of this new standard had no impact on opening equity at 1 January 2019 (see Note 1 – Reporting entity and basis of preparation).*

The accompanying notes form an integral part of the consolidated financial statements.

5.2.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Share premium	Remeasurement of net liability for employee benefit obligations	Hedging reserves	Translation reserve	Total other comprehensive income/ (expense)	Profit for the period	Other reserves	Equity attributable to owners of the parent	Non-controlling interests	Total equity*
At 1 January 2018	**15.7**	**-**		**0.1**	**(5.5)**	**(5.4)**	**404.1**	**(23.0)**	**391.4**	**0.3**	**391.7**
Dividends paid								(15.1)	(15.1)	(0.6)	(15.7)
Share-based payments and free share awards	-	-	-	-	-	-	-	0.4	0.4	-	0.4
Treasury share transactions	-	-	-	-	-	-	-	(4.6)	(4.6)	-	(4.6)
Total comprehensive income	-	-	0.4	(0.4)	(4.9)	(4.9)	19.4	-	14.5	0.4	14.9
Appropriation of prior-period profit	-	-	-	-	-	-	(404.1)	404.1	-	-	-
Appropriation of items of other comprehensive income/ (expense) that will not be reclassified to profit	-	-	(0.4)	-	-	(0.4)	-	0.3	(0.1)	-	(0.1)
Transactions with non-controlling interests without change of control	-	-	-	-	-	-	-	0.1	0.1	-	0.1
Other movements	-	-	-	-	-	-	-	0.1	0.1	-	0.1
At 31 December 2018	**15.7**	**-**	**-**	**(0.3)**	**(10.4)**	**(10.7)**	**19.4**	**362.3**	**386.7**	**0.1**	**386.8**
Dividends paid	-	-	-	-	-	-	-	(15.0)	(15.0)	(0.7)	(15.7)
Share-based payments and free share awards	-	-	-	-	-	-	-	1.0	1.0	-	1.0
Treasury share transactions	-	-	-	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Total comprehensive income	-	-	(2.2)	-	(0.4)	(2.6)	27.0	-	24.4	0.8	25.2
Appropriation of prior-period profit	-	-	-	-	-	-	(19.4)	19.4	-	-	-
Appropriation of items of other comprehensive income/ (expense) that will not be reclassified to profit	-	-	2.2	-	-	2.2		(2.2)	-	-	-
Transactions with non-controlling interests without change of control	-	-	-	-	-	-	-	(0.5)	(0.5)	(0.2)	(0.7)
Other movements	-	-	-	-	-	-	-		-	0.3	0.3
At 31 December 2019	**15.7**	**-**	**-**	**(0.3)**	**(10.8)**	**(11.1)**	**27.0**	**364.8**	**396.4**	**0.3**	**396.7**

* *The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. In accordance with this approach, comparatives for the 2018 reporting period have not been restated. The first-time application of this new standard had no impact on opening equity at 1 January 2019 (see Note 1 – Reporting entity and basis of preparation).*

The accompanying notes form an integral part of the consolidated financial statements.

5.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

NOTE 1 REPORTING ENTITY AND BASIS OF PREPARATION

Reporting entity

The Assystem Group (hereinafter also referred to as the "Group") is an international leader in the field of engineering.

The Group's parent company is Assystem SA (hereinafter also referred to as the "Company") – a French public limited company (société anonyme) governed by a Board of Directors, whose registered office is located at Tour Égée, 9-11 allée de l'Arche, 92400 Courbevoie, France.

The consolidated financial statements for the year ended 31 December 2019, together with the accompanying notes, were approved by the Company's Board of Directors on 9 March 2020. They will be submitted for approval by the Company's shareholders at the Annual General Meeting scheduled to be held on 26 June 2020.

The consolidated financial statements reflect the accounting position of Assystem SA and its subsidiaries. They are presented in millions of euros, rounded to the nearest hundred thousand.

Basis of preparation

In compliance with Regulation 1606/2002/EC of the European Parliament and Council dated 19 July 2002, the consolidated financial statements of the Assystem Group for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations as adopted by the European Union at that date. These financial statements present two years of data.

IFRSs as adopted by the European Union differ in certain respects from IFRSs as issued by the IASB. The Group nevertheless ensured that the financial information for the reported periods would not have been substantially different had it applied IFRSs as issued by the IASB.

NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS WHOSE APPLICATION WAS MANDATORY FROM 1 JANUARY 2019

IFRS 16, "Leases"

IFRS 16, which supersedes IAS 17, introduces a single lessee accounting model, with leases recognised on balance sheet. Lessees are required to recognise a right-of-use asset representing their right to use the underlying leased asset and a lease liability representing their obligation to make lease payments.

The Group elected to apply IFRS 16 using the modified retrospective approach and has therefore:

- recognised the cumulative impact of applying the standard for the first time as an adjustment to equity at 1 January 2019;
- not restated comparative information for 2018;
- not restated leases of low-value assets (whose value as new is less than €5,000) and leases which are reasonably certain to have a term of less than 12 months. The corresponding lease payments are recognised in "Other financial income and expenses".

The Group has restated its leases relating to:

- real estate assets for which the lease and non-lease components had not been separated;
- vehicles for which a portion of the lease payments was allocated to non-lease components (insurance, maintenance, etc.)

The Group recognises a right-of-use asset and a lease liability at the inception of a lease. The right-of-use asset is initially recognised at the present value of the remaining lease payments. Subsequent to initial recognition, the asset is depreciated and impairment losses may also be recognised. In addition, the carrying amount of the right-of-use asset may be adjusted in line with any remeasurements or reductions in the lease liability.

The Group exercised its judgement in determining the terms of its leases, particularly for real estate leases. The term applied has a significant impact on the amount of the lease liability and right-of-use asset recognised. For real estate leases, the term used for calculating the present value of lease payments corresponds to the longest term within the enforceable period of a lease. In France, most leases for office buildings have a nine-year term (known as "3/6/9" leases as they can be terminated by the lessee after three and six years). For this type of lease, the Group considers that it is reasonably certain the entities concerned will not exercise their early termination options, and therefore uses the residual term based on the initial nine-year lease period. For vehicle leases, the lease term corresponds to the duration provided for in the lease contract.

The lease liability is initially measured at the present value of lease payments due at the commencement date of the lease contract. The discount rates used to calculate the lease liability for both real estate and vehicle leases correspond to the Group's incremental borrowing rate, i.e. the fixed interest rate the Group would have to pay to borrow the funds to purchase the underlying asset rather than leasing it.

The carrying amount of the lease liability is subsequently increased to reflect the interest expense on the liability (recognised in the income statement under "Other financial income and expenses") and reduced by the amount of the lease payments made, which are expensed as incurred by the Group's consolidated entities. The carrying amount of the lease liability is remeasured to reflect any reassessments or changes in future lease payments, particularly as a result of (i) a change in an index or (ii) revised estimates of lease payments due to a lessee exercising an option to renew or early terminate a lease.

In the statement of cash flows, lease payments that were presented under "Cash flows from operating activities" prior to IFRS 16 are now presented under "Cash flows from financing activities" both for the amount allocated to the repayment of the lease liability and the amount corresponding to interest paid. The impacts of remeasuring the lease liability are not shown in the consolidated statement of cash flows.

Impacts of IFRS 16 on the consolidated financial statements

Transition impacts

For the purpose of its transition to IFRS 16, the Group recognised right-of-use assets and corresponding lease liabilities in its statement of financial position. This recognition had no material effect on opening equity at 1 January 2019. The impacts of the IFRS 16 transition are summarised below:

In millions of euros	1 January 2019
Right-of-use assets related to real estate leases	24.7
Right-of-use assets related to other leases	5.1
Total right-of-use assets	**29.8**
Total lease liabilities	**29.8**

The lease terms used to measure leases in accordance with IFRS 16 are significantly different from those used for measuring the off-balance sheet commitments presented in Note 13.1 – Operating leases in Chapter 5 of the 2018 Registration Document. This is because the terms used prior to IFRS 16 only corresponded to the non-cancellable periods of the commitments concerned. However, in practice, the difference only affects real estate leases. In addition, off balance-sheet commitments were not discounted whereas IFRS 16 lease liabilities are.

The table below shows a reconciliation between the above-mentioned off-balance sheet commitments and the amount of total lease liabilities at 1 January 2019.

In millions of euros	1 January 2019
Off-balance sheet commitments for operating leases at 31 December 2018, as presented in Assystem's consolidated financial statements	13.3
Lease extension options reasonably certain to be exercised	14.9
Discounting impacts and other	1.6
Total lease liabilities	**29.8**

Impact on the 2019 financial statements

The first-time application of IFRS 16 has significantly affected the consolidated financial statements, and notably the main performance indicators used by the Group (EBITDA, EBITA and free cash flow). The impacts of applying IFRS 16 are shown below.

Consolidated statement of financial position

The Group has elected to present right-of-use assets and lease liabilities (both the non-current and current portions) in separate lines of the statement of financial position. Movements in these items were as follows during 2019:

In millions of euros	Right-of-use assets	Lease liabilities
Carrying amount for real estate leases	24.7	24.7
Carrying amount for other leases	5.1	5.1
Impact at 1 January 2019	**29.8**	**29.8**
New leases	13.4	13.4
Depreciation	(8.8)	-
Lease payments made	-	(9.3)
Interest expense	-	0.9
Total carrying amount at 31 December 2019	**34.4**	**34.8**
Carrying amount for real estate leases	31.0	-
Carrying amount for other leases	3.4	-

Consolidated income statement

In millions of euros	Consolidated income statement - reported	Impact of IFRS 16	Consolidated income statement excl. impact of IFRS 16
EBITDA	48.4	9.3	39.1
Depreciation, amortisation and provisions for recurring operating items, net	(13.2)	(8.8)	(4.4)
Operating profit before non-recurring items (EBITA)	35.2	0.5	34.7
Non-recurring income and expenses, including share-based payments	(7.9)	-	(7.9)
Operating profit	27.3	0.5	26.8
Share of profit of Expleo Group	4.5	-	4.5
Income from Expleo Group convertible bonds	9.1	-	9.1
Net financial expense on cash and debt	(1.8)	-	(1.8)
Other financial income and expenses	0.5	(0.9)	1.4
Income tax expense	(11.2)	0.1	(11.3)
Consolidated profit for the period	**28.4**	**(0.3)**	**28.7**

Consolidated statement of cash flows

In millions of euros	Consolidated statement of cash flows - reported	Impact of IFRS 16	Consolidated statement of cash flows excl. impact of IFRS 16
Operating profit before non-recurring items (EBITA)	35.2	0.5	34.7
Depreciation, amortisation and provisions for recurring operating items, net	13.2	8.8	4.4
EBITDA	48.4	9.3	39.1
Other cash flows related to operating activities	(6.4)	-	(6.4)
Net cash generated from operating activities	42.0	9.3	32.7
Acquisitions of property, plant and equipment and intangible assets, net of disposals	(15.8)	-	(15.8)
Free cash flow	26.2	9.3	16.9
Other cash flows related to investing activities	(22.2)	-	(22.2)
Net cash generated from/(used in) investing activities	(38.0)	-	(38.0)
Net cash generated from/(used in) financing activities	2.7	(9.3)	12.0
Net increase/(decrease) in cash and cash equivalents	**6.7**	**-**	**6.7**

The other new standards, amendments and interpretations that were applicable by the Group as from 1 January 2019 were as follows:

- amendments to IFRS 9, "Prepayment Features with Negative Compensation";
- amendments to IAS 28, "Long-term Interests in Associates and Joint Ventures";
- annual Improvements to IFRSs – 2015-2017 Cycle: Amendments to IFRS 3, "Business Combinations", IFRS 11, "Joint Arrangements", IAS 12, "Income Taxes", and IAS 23, "Borrowing Costs";
- amendments to IAS 19, "Plan Amendment, Curtailment or Settlement";
- IFRIC 23, "Uncertainty over Income Tax Treatments".

The application of the above amendments and interpretations did not have a material impact on the Group's consolidated financial statements.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

- IFRS 17, "Insurance Contracts";
- amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture";
- amendments to IFRS 3, "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, IAS 39 and IFRS 7, "Interest Rate Benchmark Reform";

The Group does not expect its first-time application of any of the above standards and amendments to have a significant impact on its financial statements in future years.

PRESENTATION OF THE FINANCIAL STATEMENTS AND YEAR-ON-YEAR COMPARISONS

The presentation of the financial statements was the same for 2019 as for 2018.

MAIN SOURCES OF UNCERTAINTY ARISING FROM USE OF JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires the use of judgement, estimates and assumptions that can affect the reported amounts of certain assets and liabilities and income and expenses. The impact of any changes in estimates is accounted for on a prospective basis. The estimates are made by Management based on the going concern principle using information available at the reporting date. They may change, however, due to circumstances or new information that could require a reconsideration of the context in which they were prepared. Actual results may therefore differ from the estimates. The random nature of certain estimates may make it difficult to ascertain the Group's economic outlook, particularly in relation to asset impairment tests (see Note 3.3 – Goodwill).

The accounting items that are the most exposed to the risk of estimation uncertainty are described below.

Recognition of revenue from fixed-price contracts

As explained in Note 5.1 – Revenue and working capital requirement, revenue from fixed-price contracts is recognised using the percentage-of-completion method.

The percentage of completion and the revenue to be recognised depends on numerous estimates based on the monitoring of contract costs and past experience. The assumptions used and estimates of costs to completion may be updated throughout the life of the contract, which could significantly impact future profit.

Provisions for losses on completion of contracts and project warranty costs

Provisions for expected losses on engineering contracts may be recognised when applying the percentage of completion method in accordance with IAS 37 (see Note 5.1 – Revenue and working capital requirement). When it becomes probable that total contract costs will exceed total contract revenue a provision is immediately recognised for the related loss, after deducting any previously recognised losses. However, the loss actually recognised on completion of the contract may differ from the amounts originally provisioned, and may have an impact on future profit.

Figures relating to provisions are presented in Note 9 – Provisions.

Impairment of trade receivables

A lower recoverability rate for a receivable than initially estimated or a default by a major client could adversely affect the Group's future profit.

Figures relating to impairment of trade receivables are presented in Note 5.1 – Revenue and working capital requirement.

Deferred taxes

Deferred tax assets are recognised for the carryforward of unused tax losses and unused tax credits and deductible temporary differences only to the extent that it is probable that the Company and/or its subsidiary(ies) concerned will have sufficient future taxable profit against which the unused tax losses, tax credits or temporary differences can be utilised.

In assessing whether it will have sufficient taxable profit to recover deferred tax assets, the Group takes into account forecasts of future taxable profits, non-recurring expenses included in past losses which should not be incurred again in the future, and its past history of taxable profit for prior years.

Figures for deferred taxes related to unused tax losses and temporary differences are presented in Note 12.3 – Deferred taxes.

Goodwill impairment

The estimates used in the assumptions for calculating goodwill impairment are set out in Note 3.4 – Goodwill impairment testing.

Employee benefit obligations

The estimates and assumptions used for calculating employee benefit obligations and the related sensitivity analyses are set out in Note 5.3.2 – Employee benefit obligations.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

The following significant events took place in 2019:

Additional consideration for the Framatome acquisition and Framatome dividend

In 2019, Assystem paid €12.47 million in additional consideration for the 5% interest it acquired in Framatome in late 2017. This amount represents Assystem's share of the aggregate amount paid by Framatome's current shareholders to Areva NP pursuant to price adjustment clauses in the contracts governing their acquisition of Framatome's entire share capital.

At 31 December 2019, the amount recognised in the consolidated financial statements (at fair value through profit or loss) for Assystem's stake in Framatome, including the above-mentioned additional consideration, was €136.7 million (see Note 6.5 – Other non-current financial assets).

In 2019, Assystem recorded in its consolidated income statement, under "Other financial income and expenses" (see Note 8.5 – Financial income and expenses) a €2.4 million dividend payment from Framatome received during the year. In the consolidated statement of cash flows, this dividend was recognised in "Other movements, net" under cash flows from investing activities.

External growth

The Group carried out further external growth transactions in France in 2019, strengthening its skills in the project management and nuclear engineering fields (see Note 3.2 – Business combinations).

NOTE 3 CONSOLIDATION, BUSINESS COMBINATIONS AND GOODWILL

Consolidation methods

Fully-consolidated subsidiaries

Companies over which the Group exercises control are consolidated. IFRS 10 has introduced a single model of control based on three criteria: "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee".

Assets, liabilities, income and expenses of consolidated subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group until the date the Group ceases to control the subsidiary. All inter-company transactions and balances are eliminated on consolidation. Non-controlling interests are presented separately in the financial statements.

Joint ventures and joint operations (equity-accounted investees)

IFRS 11 classifies joint arrangements into two types – joint ventures and joint operations. The Group determines the type of joint arrangement in which it is involved by considering its rights and obligations in the arrangement, assessed based on the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement and, when relevant, other facts and circumstances.

A joint venture is a joint arrangement whereby the parties with joint control ("joint venturers") have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties with joint control ("joint operators") have rights to the assets and obligations for the liabilities of the arrangement.

Joint arrangements that qualify as joint ventures are accounted for using the equity method (equity-accounted investees).

For joint operations, each of the joint operators must recognise the assets and the liabilities (and income and expenses) relating to its interest in the joint operation.

Translation of foreign companies' financial statements and foreign-currency denominated transactions

Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. in which the entity mainly generates and expends cash), which corresponds to its functional currency.

The consolidated financial statements are presented in euros, which is the Group's presentation currency.

Transactions and balances

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when included in other comprehensive income as the effective portion of qualifying cash flow hedges and qualifying net investment hedges.

Translation of financial statements of subsidiaries

The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euros as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates for the period.

All resulting exchange differences are recognised in other comprehensive income in a separate line.

Goodwill arising on the acquisition of a foreign entity is recognised in the entity's functional currency and translated into euros at the closing rate.

3.1 Scope of consolidation

The main Assystem SA. subsidiaries included in the scope of consolidation at 31 December 2019 were as follows:

Company	Country	Registration number	% interest	Consolidation method
French companies				
Assystem SA	France	412076937	Parent	FC
Assystem Engineering and Operation Services	France	444159164	100	FC
Insiema	France	572004372	100	FC
Assystem Care France	France	794087502	100	FC
MPH Global Services	France	499137610	100	FC
Expleo Group	France	831178785	38.16	Equity
Euro Contrôle Projet and subsidiaries	France	347621831	100	FC
ASCO	France	348998543	100	FC
Non-French companies				
Assystem Energy & Infrastructure Ltd	United Kingdom		100	FC
Radicon	Saudi Arabia		75	FC
Assystem Care Holding	Belgium		100	FC
Assystem Care Belgium	Belgium		100	FC
Assystem Care Switzerland	Switzerland		100	FC
MPH Global Services' non-French subsidiaries	UAE/Qatar		100	FC
Envy	Turkey		100	FC

FC: Fully consolidated
Equity: Accounted for by the equity method

3.2 Business combinations

Business combinations which occurred between 1 January 2004 and 31 December 2009 were recognised in accordance with the requirements of the previous version of IFRS 3.

Since 1 January 2010, business combinations have been recognised based on the requirements of the revised version of IFRS 3 (IFRS 3R). In accordance with IFRS 3R, when an entity over which the Group exercises exclusive control is consolidated for the first time:

- the identifiable assets acquired and liabilities assumed are measured at fair value on the date when control is transferred to the Group. An assessment of the assets acquired and liabilities assumed (including client contracts and portfolios) is carried out on an acquisition-by-acquisition basis;
- any non-controlling interest in the acquiree is recognised on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the identifiable net assets of the acquiree.

At the date of a business combination, goodwill is measured as the excess of:

- the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and, for a business combination achieved in stages, the acquisition-date fair value of any equity interest previously held in the acquiree; over
- the acquisition-date fair value of the identifiable net assets acquired.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value ("full goodwill method") or at the proportionate share of the acquiree's identifiable net assets ("partial goodwill method").

The initial accounting for business combinations must be completed within one year of the acquisition date (the "measurement period"). During this measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect any new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Any gain on a bargain purchase (negative goodwill) is recognised in profit immediately.

Subsequent to initial recognition, goodwill is carried at cost less any accumulated impairment losses (see Note 3.3 – Goodwill).

Additionally, the following principles apply to business combinations:

- any contingent consideration is measured at fair value at the acquisition date, and any subsequent changes in the fair value of the contingent consideration are recognised in profit;
- acquisition-related costs are expensed as incurred. In accordance with IFRS 10, when the proportion of the equity in a subsidiary held by non-controlling interests changes, the Group recognises directly in "Equity attributable to owners of the parent" any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received.

BUSINESS COMBINATIONS CARRIED OUT IN 2019

In July 2019, the Group acquired all of the share capital of French company ASCO from its three founders for €7.0 million.

The acquisition of ASCO has enabled the Group to reinforce its capabilities in the fields of project management and scheduling nuclear power plant outages. ASCO's contribution to Assystem's consolidated revenue for 2019 was €4.6 million but it did not have any impact on EBITA during the year.

Also during the year, the Group acquired two relatively small companies, one of which is specialised in systems integration and the other in equipment qualification for nuclear power plants. Both of these companies were merged into Assystem Engineering and Operation Services in 2019.

The fair value of the net assets acquired in these business combinations breaks down as follows:

In millions of euros	Total
Cash and cash equivalents	0.8
Other current and non-current assets	6.0
Total assets	**6.8**
Financial liabilities	0.7
Other current and non-current liabilities	6.1
Total liabilities	**6.8**
Net assets	**-**

Goodwill related to the acquisitions, as determined using the full goodwill method, breaks down as follows:

In millions of euros	Total
Portion of the purchase price paid in cash	8.4
Total purchase price	**8.4**
Fair value of net assets acquired	-
Goodwill	**8.4**

The cash flows relating to the acquisitions can be analysed as follows:

In millions of euros	Total
Cash and cash equivalents	0.8
Bank overdrafts	(0.4)
Net cash acquired	**0.4**
Purchase price of shares	(8.4)
Net cash outflow	**(8.0)**

In accordance with IFRS 3R, the Group will complete the initial accounting for the acquisition of ASCO within one year of the date it acquired control of the Company, i.e. by the end of 2020.

In 2019, the Group completed the initial accounting for the acquisition of EP-6 Consulting, which led to a €0.1 million increase in the goodwill recognised for this company (see Note 3.3 – Goodwill).

Cash flows related to acquisitions of shares were as follows in 2019 and 2018:

In millions of euros	2019	2018
Net cash outflow for acquisitions	(8.0)	(4.1)
Purchased goodwill	-	(0.7)
Payment for Assystem Care Holding shares	(1.0)	-
Payment of additional consideration for the stake in Framatome	(12.5)	-
Other	(0.7)	-
Acquisitions of shares	**(22.2)**	**(4.8)**

3.3 Goodwill

In accordance with IFRS 3R, goodwill is not amortised but is tested for impairment at least once a year.

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs. A CGU corresponds to 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. The level of CGU used for goodwill impairment tests depends on the characteristics of the business or market of each operation.

The Group carries out impairment tests at each year-end and whenever there is an indication of impairment, in order to estimate the CGU's recoverable amount. Recoverable amount corresponds to the higher of the CGU's fair value less costs of disposal and its value in use (the present value of the future cash flows expected to be derived from the CGU). An impairment loss is recognised for a CGU if its recoverable amount is lower than its carrying amount. Impairment losses are allocated first to goodwill and then to the identifiable assets of the CGU on a pro rata basis.

If a subsidiary is sold, the goodwill allocated to that subsidiary is taken into account in determining the proceeds of the sale.

Goodwill arising on acquisitions of fully-consolidated companies is recognised as an asset under "Goodwill" in the consolidated statement of financial position. Goodwill related to companies accounted for by the equity method is presented in the lines of the statement of financial position concerning equity-accounted investees.

The CGUs defined by the Group in accordance with IFRS are Energy & Infrastructure (complex infrastructure engineering) and Staffing (worldwide assignment of consultants specialised in Oil & Gas and Industry). They correspond to the operating segments presented in Note 4 – Segment reporting.

In millions of euros	Energy & Infrastructure	Staffing	Total
Carrying amount at 1 January 2019	**76.7**	**6.1**	**82.8**
Increases related to business combinations	8.5	-	8.5
Impairment losses	-	(6.1)	(6.1)
Currency translation differences	(0.6)	-	(0.6)
Carrying amount at 31 December 2019	**84.6**	**-**	**84.6**

The €6.1 million impairment loss for the Staffing CGU in 2019 was recognised in order to write down its residual goodwill in view of its revenue and earnings outlook. The other assets making up capital employed were not affected by this write-down.

The impacts of changes in scope of consolidation are described in Note 3.2 – Business combinations.

3.4 Impairment testing

The recoverable amounts of the CGUs were calculated based on their value in use. In order to determine value in use, the Group projects the future cash flows that it expects to derive from each CGU. These projections are based on four-year budgets and cash flows beyond this four-year period are estimated by extrapolating the projections using a perpetuity growth rate (see below). This growth rate must not exceed the average long-term growth rate for the sector as a whole. The future cash flows are discounted using the Weighted Average Cost of Capital (WACC) of the sector.

The cash flows used were based on budget forecasts drawn up by the operating management teams of the CGUs when determining their medium and long-term strategy. A standard weighted cost of debt was applied for the Group as a whole and a specific cost of equity for each country for calculating WACC. The table below presents the main assumptions applied for the impairment tests:

2019

CGU	Perpetuity growth rate used for extrapolating future cash flows beyond the projection period	Discount rate
Energy & Infrastructure	1.5%	9.0%
Staffing	1.5%	10.2%

2018

CGU	Perpetuity growth rate used for extrapolating future cash flows beyond the projection period	Discount rate
Energy & Infrastructure	1.5%	9.0%
Staffing	1.5%	10.2%

If any impairment is identified based on the calculation of discounted future cash flows and/or market values of the assets concerned, or if there is a change in market conditions or in the cash flows that were originally estimated, then previously recognised impairment losses may need to be reviewed and adjusted.

A 0.5% increase in the discount rate or a 0.5% decrease in the perpetuity growth rate assumptions used for the impairment tests carried out on the Energy & Infrastructure CGU would not result in the recognition of a goodwill impairment loss for this CGU.

There were no significant changes in assumptions between 31 December 2018 and 2019 for the Energy & Infrastructure CGU.

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NOTE 4 SEGMENT REPORTING

Operating segments are components of the Group about which separate financial information is available that is evaluated regularly by Group management in deciding how to allocate resources and in assessing performance. The Group has two operating segments: Energy & Infrastructure (complex infrastructure engineering) and Staffing (worldwide assignment of consultants specialised in Oil & Gas and Industry).

The main accounting policies used for operating segments are as follows:

- each segment has its own resources and may share certain resources with the other segment to create synergies. This sharing is carried out through a reallocation of costs or through contractual relations between different legal entities;
- management costs that are directly attributable to the two operating segments are allocated to each segment concerned;
- the indicator, "EBITA including share of profit of equity-accounted investees", excludes non-recurring income and expenses.

Analysis by operating segment

Assets and liabilities allocated by operating segment comprise operating assets and liabilities used by each division in its operating activities and which are directly attributable to the segment or can be allocated to the segment on a reasonable basis. They correspond to:

- goodwill, intangible assets and property, plant and equipment;
- trade receivables, other receivables and other current assets;
- trade payables, amounts due to suppliers of non-current assets, accrued taxes and payroll costs, current liabilities related to share acquisitions, short-term provisions and other current liabilities.

2019

In millions of euros	E&I	Staffing	Holding company and Other	Inter-segment	Total
Revenue	446.9	62.6	7.5	(19.5)	497.5
O/w inter-segment revenue	(0.7)	(18.8)	-	19.5	-
Total external revenue	**446.2**	**43.8**	**7.5**	**-**	**497.5**
EBITA including share of profit of equity-accounted investees	36.9	1.2	(2.9)	-	35.2
Non-recurring income and expenses	(0.7)	(6.1)	(1.1)	-	(7.9)
Operating profit/(loss)	**36.2**	**(4.9)**	**(4.0)**	**-**	**27.3**
Net assets allocated by operating segment (CGU)	**128.2**	**11.8**	**3.1**	**-**	**143.1**

2018

In millions of euros	E&I	Staffing	Holding company and Other	Inter segment	Total
Revenue	391.3	56.7	8.6	(12.5)	444.1
O/w inter-segment revenue	-	(12.5)	-	12.5	-
Total external revenue	**391.3**	**44.2**	**8.6**	**-**	**444.1**
EBITA including share of profit of equity-accounted investees	27.3	1.8	(2.5)	-	26.6
Non-recurring income and expenses	(0.7)	0.4	(0.6)	-	(0.9)
Operating profit/(loss)	**26.6**	**2.2**	**(3.1)**	**-**	**25.7**
Net assets allocated by operating segment (CGU)	**104.9**	**17.5**	**5.9**	**-**	**128.3**

Analysis by geographic region

Non-current assets allocated by geographic region correspond to goodwill, intangible assets and property plant and equipment which are directly attributable to the region or can be allocated to the region on a reasonable basis.

The following table shows a breakdown of the Group's revenue and assets by region, based on the geographic location of consolidated companies:

2019

In millions of euros	France	Rest of Europe	Asia - Middle East - Africa	Holding company, Other and other regions	Group total
Total external revenue	**355.3**	**42.8**	**99.4**	**-**	**497.5**
Non-current assets allocated by geographic region	88.6	15.5	37.3	0.3	141.7

2018

In millions of euros	France	Rest of Europe	Asia - Middle East - Africa	Holding company, Other and other regions	Group total
Total external revenue	**329.7**	**37.7**	**76.7**	**-**	**444.1**
Non-current assets allocated by geographic region	34.9	15.1	44.1	1.0	95.1

NOTE 5 OPERATIONAL DATA

5.1 Revenue and working capital requirement (WCR)

Revenue

The Group's consolidated revenue corresponds to the revenue generated by its two divisions – Energy & Infrastructure and Staffing – under two different types of contracts:

- time and materials contracts: the valuation of services rendered under these contracts depends on the resources used. Revenue is determined on a time-spent basis, agreed on with the client, and corresponds to an aggregate resulting from the multiplication of an hourly or daily rate;
- fixed-price contracts: these correspond to contracts under which the Group has a performance obligation and whose price is either (i) set at the outset for the project as a whole or (ii) set in a master agreement for each type of service ordered by the client.

IFRS 15 states that revenue from contracts with customers must be recognised based on:

- when the entity satisfies the performance obligations in the contract, corresponding to when transfer of control over the service rendered passes to the customer; and
- the amount to which the seller expects to be entitled in exchange for the services rendered.

Determining when transfer of control over a service passes to the customer is essential for recognising revenue. Control may be passed either over time (in which case the percentage-of-completion method is used) or at a point in time (with revenue recognised on completion).

Revenue from time and materials contracts is recognised on a regular – generally monthly – basis, by reference to time spent.

Revenue from fixed-price contracts is mostly recognised over time using the percentage-of-completion method as the Group considers that (i) the client simultaneously receives and consumes all of the benefits of the services rendered as the Group performs them, or (ii) the Group has an enforceable right to payment for services rendered to date. The criterion generally used for determining the percentage of completion during the lifetime of a contract is the proportion that costs already incurred represents out of the total estimated costs at completion.

The work carried out by the Group's entities is systematically based on contracts entered into with clients. Where a framework agreement is in place, the Group considers that each successive order constitutes a contract within the meaning of IFRS 15 as it creates enforceable rights and obligations between the parties.

Certain contracts signed by the Group include different types of service which may constitute separate performance obligations. In this case, revenue is recognised separately for each performance obligation that is considered to be distinct within the overall contract.

Items of variable consideration in the Group's contracts essentially correspond to penalties and volume discounts. As required by IFRS 15, these items are presented as a deduction from revenue. Variable consideration is not considered to have a material financial impact at Group level.

In some cases, in order to propose an appropriate services offering, a Group entity may be required to set up a consortium with one or more other parties or to use one or more subcontractors. In this case, the entity ensures that it retains exclusive control over the services it provides to the client and that it does not play the role of agent or intermediary between the client and the third party.

The costs of obtaining and fulfilling contracts are not material at Group level.

Order book

In applying IFRS 15, the Group has elected to use two of the practical expedients available in the standard, namely excluding from its order book disclosures (with "order book" corresponding to "remaining performance obligations" in IFRS 15) (i) contracts whose duration is less than one year, and (ii) services for which revenue will be recognised in the amount to which the entity has a right to invoice. Taking into account these two practical expedients, the total amount of the Group's order book was not material at 31 December 2019.

Impairment of trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at fair value less any accumulated impairment losses.

Impairment losses are recognised based on the expected credit losses over the lifetime of the receivables.

Provisions for losses on completion

A provision is recognised when it is probable that contract costs will exceed contract revenue. The amount of the provision is calculated by reference to the stage of completion less the loss already recognised, and it is recorded under "Depreciation, amortisation and provisions for recurring operating items, net".

Government grants and tax credits

Government grants and tax credits related to operating expenses are recognised in the income statement over the periods necessary to match them with the costs they are intended to compensate. They are recorded either:

- as a deduction from the corresponding expense if they are intended to compensate an identified cost; or
- as a decrease in other operating expenses if they are granted for general purposes.

TRADE RECEIVABLES

In millions of euros	2019	2018
Trade receivables	113.1	107.1
Accrued revenue	15.2	16.7
Contract assets*	37.9	33.3
Gross value	**166.2**	**157.1**
Impairment	(5.4)	(6.3)
Carrying amount	**160.8**	**150.8**

* *A contract asset corresponds to revenue calculated on a fixed-price contract using the percentage-of-completion method but which has not yet been invoiced.*

The Group has put in place a factoring programme under which the receivables sales concerned meet the derecognition criteria in IFRS 9 – Financial Instruments. Consequently, the factored receivables under this programme – which represented net amounts of €18.9 million at 31 December 2019 and €10.0 million at 31 December 2018 – were derecognised at those two reporting dates.

ANALYSIS OF CHANGE IN OPERATING WORKING CAPITAL REQUIREMENT

In millions of euros	At beginning of year	Change related to operations	Other	At year-end
Trade receivables (1)	150.8	3.2	6.8	160.8
Contract liabilities (2)*	(28.4)	6.0	(0.9)	(23.3)
WCR – Trade receivables (1+2)	**122.4**	**9.2**	**5.9**	**137.5**
Trade payables (3)	(31.0)	(1.3)	(0.4)	(32.7)
Supplier prepayments (4)	2.1	(0.9)	-	1.2
Prepaid expenses (4)	4.4	1.1	0.2	5.7
WCR – Trade payables (3+4)	**(24.5)**	**(1.1)**	**(0.2)**	**(25.8)**
Accrued taxes and payroll costs (5)	(89.1)	(2.2)	(4.1)	(95.4)
Other current payables (5)	(2.9)	(2.7)	0.2	(5.4)
Prepaid and recoverable taxes and payroll costs (6)	28.9	(10.0)	0.5	19.4
Other current receivables (6)	5.2	(1.3)	(0.2)	3.7
WCR – Other (5+6)	**(57.9)**	**(16.2)**	**(3.6)**	**(77.7)**
Total	**40.0**	**(8.1)**	**2.1**	**34.0**

* *A contract liability corresponds to amounts invoiced and/or payments received under a contract, for which the performance obligations have not yet been satisfied by the Group.*

The amounts in the "Other" column notably include the impact of changes in scope of consolidation and currency effects.

Supplier prepayments, prepaid expenses and other current receivables constitute the "Other receivables" line of the statement of financial position. Trade payables, deferred income and other current payables constitute the "Other current liabilities" line of the statement of financial position.

AGED RECEIVABLES

Credit risk represents the risk of the Group incurring a financial loss if a client fails to fulfil its contractual obligations.

The table below provides a breakdown of late payments for "Trade receivables" as a whole as well as the impairment losses recorded for disputed receivables and client defaults:

	Gross		Impairment	Gross		Impairment
In millions of euros	2019	%	2019	2018	%	2018
Not past due	135.4	81.4%	-	131.1	83.5%	-
Up to 30 days past due	11.8	7.1%	-	10.2	6.5%	-
Between 31 and 60 days past due	3.0	1.8%	-	2.8	1.8%	-
Between 61 and 180 days past due	7.9	4.8%	0.1	3.5	2.2%	-
More than 181 days past due	8.1	4.9%	5.3	9.5	6.0%	6.3
Total	**166.2**	**100.0%**	**5.4**	**157.1**	**100.0%**	**6.3**

5.2 Equity-accounted investees

Movements in "Equity-accounted investees" were as follows in 2019 and 2018:

In millions of euros	2019	2018
At 1 January	0.7	0.7
Dividends	(0.7)	(0.7)
Share of profit	0.9	0.9
Other movements	0.1	(0.2)
At 31 December	**1.0**	**0.7**

In view of the geopolitical environment in Yemen, at 31 December 2019 the Group maintained the full write-down of its investment in the joint venture in that country.

KEY FIGURES CONCERNING EQUITY-ACCOUNTED INVESTEES

				Carrying amount (in millions of euros)	
Company	**Country**	**% interest**	**% voting rights**	**2019**	**2018**
Engage	France	25	25	0.2	0.2
Alphatest	France	49.84	49.84	0.5	0.5
Momentum	France	33.33	33.33	-	-
N3A	France	50	50	0.1	-
Uzenergoengineering	Uzbekistan	49	49	0.2	-
MPH Yemen Limited	Yemen	50	50	-	-

In millions of euros	2019	2018
Revenue	**69.9**	**63.6**
Profit for the period	2.3	1.7
Total comprehensive income	**2.3**	**1.7**
Non-current assets	0.2	0.2
Current assets	35.4	39.1
Non-current liabilities	(1.7)	(3.5)
Current liabilities	(31.3)	(34.6)
Net assets	**2.6**	**1.2**

RELATED-PARTY INFORMATION

The Group has defined four categories of related parties:

- joint ventures (excluding Expleo Group, for which information is provided in Note 6.4 – Expleo Group shares and convertible bonds);
- the members of Assystem's Board of Directors and Assystem SA's executive officers (see Note 5.3.4 – Related-party information);
- HDL Development, which holds 74.17% of the Company's exercisable voting rights and provides management services to the Group (see Note 5.3.4 – Related-party information);
- Radicon's minority shareholder, and RGCK – the joint operation owned by Radicon and Kentz.

Transactions with related parties were as follows in 2019 and 2018:

In millions of euros	2019	2018
Revenue	16.9	17.7
Other operating income and expenses	3.5	-
Trade receivables and other current assets	2.9	5.2
Trade payables and other current liabilities	2.6	1.4
Loans	0.2	0.8

The SNC Engage consortium has issued €11.6 million worth of guarantees which have been counter-guaranteed by its shareholders in proportion to their interests in the company. Consequently, Assystem has guaranteed 25% of the overall amount (representing the proportion of its interest in Engage), corresponding to €2.9 million.

The SNC Momentum consortium has issued €5.9 million worth of guarantees which have been counter-guaranteed by its shareholders in proportion to their interests in the company. Consequently, Assystem has guaranteed 33.33% of the overall amount (representing the proportion of its interest in Momentum), corresponding to €2.0 million.

The Group has recognised a financial liability for amounts owed to Radicon's minority shareholder, which totalled €3.7 million at 31 December 2019 and €3.6 million at 31 December 2018.

During 2019, Radicon recognised €3.5 million in revenue generated with RGCK (€3.2 million in 2018) and net trade receivables due from RGCK but not yet settled amounted to €0.7 million at 31 December 2019 (€1.3 million at end-2018).

5.3 Payroll costs and employee benefit obligations

5.3.1 BREAKDOWN OF PAYROLL COSTS IN THE CONSOLIDATED INCOME STATEMENT

In millions of euros	2019	2018
Wages and salaries	(274.5)	(257.9)
Social security contributions	(76.7)	(64.1)
Total	**(351.2)**	**(322.0)**

5.3.2 EMPLOYEE BENEFIT OBLIGATIONS

The Group accounts for defined benefit and defined contribution post-employment benefit plans in accordance with the laws and practices of each country in which it operates.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all of the benefits relating to the services rendered by employees prior to retirement.

The actuarial risk (that benefits will cost more than expected) and the investment risk (that plan assets will be insufficient to meet expected benefits) are not borne by the employer entity.

Contributions to government plans and other defined contribution plans are recognised as an expense for the period in which they are due. No provision is recorded as the Group's obligation is limited to its contributions to the plans.

Defined benefit plans

All post-employment benefit plans other than defined contribution plans correspond to defined benefit plans.

Under defined benefit plans the entity's obligation is to provide the agreed benefits to current and former employees. The employer entity may either:

- pay contributions to a separate entity (a fund), but must pay further contributions (or pay unfunded benefits) if the fund does not hold sufficient assets to pay all of the benefits relating to the services rendered by employees; or
- pay the benefits itself, funding them out of its own assets.

Consequently, under defined benefit plans the employer entity bears both the actuarial risk and the investment risk.

In accordance with IAS 19, "Employee Benefits", actuarial valuations of post-employment benefit obligations under defined benefit plans are made using the projected unit credit method, based on assumptions for mortality rates, staff turnover and future salary projections.

The net defined benefit liability recognised at the reporting date corresponds to the present value of the defined benefit obligation – i.e. the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods – less the fair value of plan assets. Actuarial gains and losses are recognised in other comprehensive income.

The Group's defined benefit obligations consist mainly of statutory retirement bonuses payable in accordance with the Syntec collective bargaining agreement applicable in France. These bonuses correspond to vested entitlements determined based on length of service.

NET LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	2019	2018
Present value of funded or partially-funded post-employment benefit obligations	18.4	14.7
Fair value of plan assets	-	-
Provision recognised in the statement of financial position	**18.4**	**14.7**

CHANGE IN THE NET LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	2019	2018
Net liability at 1 January	**14.7**	**13.7**
Current service cost	1.8	1.4
Interest expense	0.1	0.2
Remeasurement of the net liability recognised in equity	1.8	(0.4)
Currency translation differences	0.1	0.1
Increases related to business combinations	0.4	0.4
Benefits paid	(0.5)	(0.7)
Net liability at 31 December	**18.4**	**14.7**

Current service cost is recognised under "Depreciation, amortisation and provisions for recurring operating items, net" and interest expense is recorded under "Other financial income and expenses".

The actuarial gains and losses recognised directly in other comprehensive income mainly relate to the effect of changes in the discount rate. The discount rate used for France in 2019 was 1% (versus 1.6% in 2018). The composite rate applied for 2019 was determined by reference to the Bloomberg and iBoxx rates.

ACTUARIAL ASSUMPTIONS

In %	**2019**	**2018**
France		
Discount rate	1.0%	1.6%
Projected rate of salary increases	1.8%	1.5%

DEFINED CONTRIBUTION PLANS

In millions of euros	**2019**	**2018**
Amount expensed for defined contribution plans	(12.8)	(11.8)

SENSITIVITY ANALYSIS

The liability recognised for statutory retirement bonuses payable in accordance with the Syntec collective bargaining agreement is calculated based on actuarial assumptions relating to the following: mortality rate, staff turnover, future salaries and discount rate. Changes in these assumptions can impact the liability to a greater or lesser extent.

The Group has chosen to present a sensitivity analysis for the discount rate applicable for France, since any change in this assumption could significantly affect equity (net of tax):

	1% decrease	0.5% decrease	0.5% increase	1% increase
Impact on equity *(in millions of euros)*	(1.1)	(0.4)	1.0	1.6
Impact on equity *(%)*	(0.3)%	(0.1)%	0.3%	0.4%
Impact on the net liability *(%)*	8.0%	2.9%	(7.2)%	(11.6)%

5.3.3 SHARE-BASED PAYMENTS

In accordance with IFRS 2, "Share-based Payment", when the Group receives services from employees as consideration for share-based payments, the fair value of the employee services received in exchange for the grant of the share-based payments is recognised as an expense.

The total amount expensed is determined by reference to the fair value of the benefits granted to the employees concerned under free share/performance share plans.

The expense is recognised on a straight-line basis over the vesting period.

Although the share-based payment expense – which is recognised as a non-recurring expense in the consolidated income statement – reduces profit for the period, it has no impact on total equity.

FREE SHARE AWARDS WITH OR WITHOUT PERFORMANCE CONDITIONS

	2014 plan	2016 plan	2016 plan	2017 plans	2018 plans	2019 plans
	Number of free shares	Number of free shares	Number of free shares	Number of free shares	Number of free shares	Number of free shares
Outstanding at 1 January 2018	**3,500**	**7,000**	**156,940**	**85,650**	**-**	**-**
Shares awarded during the year	-	-	-	-	51,000	-
Shares not awarded as performance level not achieved	-	-	-	-	-	-
Shares forfeited during the year	-	(7,000)	(20,060)	(15,900)	(1,250)	-
Shares delivered during the year	(3,500)	-	-	-	-	-
Shares cancelled during the year	-	-	-	-	-	-
Outstanding at 31 December 2018	**-**	**-**	**136,880**	**69,750**	**49,750**	**-**
Shares awarded during the year	-	-	-	-	-	54,675
Shares not awarded as performance level not achieved	-	-	-	-	-	-
Shares forfeited during the year	-	-	(590)	(2,750)	(3,250)	(750)
Shares delivered during the year	-	-	-	(1,000)	-	-
Performance shares that lapsed during the year	-	-	-	-	-	-
Shares cancelled during the year	-	-	-	-	-	-
Outstanding at 31 December 2019	**-**	**-**	**136,290**	**66,000**	**46,500**	**53,925**
Year of vesting	**2018**	**2018**	**2020**	**2020**	**2020/2021**	**2022**

FAIR VALUE OF FREE SHARE AWARDS WITH OR WITHOUT PERFORMANCE CONDITIONS

	2019	2018
Weighted average fair value of free shares awarded during the year (in euros per share)	39.94	26.10

The share-based payment expense recognised in accordance with IFRS 2 was €1.0 million in 2019 (€0.6 million in 2018), with a corresponding increase in equity.

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5.3.4 RELATED-PARTY INFORMATION

Compensation and benefits granted to Assystem's corporate officers (members of the Board of Directors and executive officers) break down as follows:

In millions of euros	2019	2018
Salaries and other short-term benefits*	(1.2)	(0.7)
Directors' remuneration	(0.2)	(0.2)
Share-based payments	-	-
Total	**(1.4)**	**(0.9)**

* *Corresponding to the direct compensation (including payroll taxes) and indirect compensation paid to corporate officers.*

The amounts shown in the table above include services invoiced by HDL Development for €0.6 million.

5.4 Other operating income and expenses

In millions of euros	2019	2018
Outsourced operations and purchases for contracts	(52.0)	(42.7)
Cost of premises	(4.2)	(8.2)
Transport and travel expenses	(12.9)	(11.6)
Miscellaneous	(28.6)	(28.5)
Total	**(97.7)**	**(91.0)**

The "Miscellaneous" line mainly comprises IT costs, fees and commissions, and advertising and public relations costs.

5.5 Depreciation, amortisation and provisions for recurring operating items, net

In millions of euros	2019	2018
Depreciation and amortisation expense	(3.7)	(3.3)
Depreciation of right-of-use assets	(8.8)	-
Net change in provisions	(0.7)	(1.1)
Total	**(13.2)**	**(4.4)**

5.6 Non-recurring income and expenses

Non-recurring income and expenses comprise:

- share-based payment expense (free shares/performance shares and stock options);
- acquisition- and divestment-related expenses (external fees for acquisitions and divestments);
- capital gains or losses arising on business divestments, other than those accounted for in accordance with IFRS 5;
- income and expenses related to unusual, atypical and infrequent events, mainly comprising restructuring costs, asset impairment losses (including goodwill impairment), and other material income and expenses.

In millions of euros	2019	2018
Goodwill impairment *losses*	(6.1)	-
Company acquisition costs and other	(0.8)	(0.3)
Total	**(6.9)**	**(0.3)**

NOTE 6 NON-CURRENT ASSETS

6.1 Intangible assets

In accordance with IAS 38, "Intangible Assets", an intangible asset is recognised only if the cost of the asset can be measured reliably and it is probable that the expected future economic benefits attributable to the asset will flow to the Group.

The Group's intangible assets mainly correspond to software, which are non-current assets with a finite useful life. These assets are amortised on a straight-line basis over their useful lives, ranging between three and five years depending on the type of software concerned:

- management software: 5 years;
- production software: 3 to 5 years;
- office automation software: 1 to 3 years.

As an exception to the above principle applicable to management software, the Group will amortise the intangible assets relating to its new ERP system on a straight-line basis over a period of 12 years as from 1 January 2020, as these assets constitute a long-term investment. No amortisation for the ERP system was recorded in either 2018 or 2019.

For internally-generated intangible assets, development costs are capitalised when they meet the recognition criteria in IAS 38, i.e. when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the current or future availability of adequate technical, financial and other resources to complete the project;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally-generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of being used in the manner intended by management. Selling, administrative and other general overhead expenditure are not components of the cost of an internally-generated intangible asset. Following initial recognition, these assets are amortised over their estimated useful lives.

Intangible assets are measured at amortised cost (historical cost on initial recognition plus any amortisable costs recognised subsequently and less any accumulated amortisation and impairment losses).

In millions of euros	2019	2018
At 1 January	**4.7**	**1.6**
Additions	8.4	4.6
Changes related to business combinations	-	(0.7)
Amortisation	(0.9)	(0.8)
At 31 December	**12.2**	**4.7**
Gross value at 31 December	19.4	11.8
Accumulated amortisation and impairment losses at 31 December	(7.2)	(7.1)

Intangible assets primarily correspond to software used by the Group.

During 2019 the Group continued to develop the new ERP system for its financial management processes. The amount capitalised for this development totalled €6.5 million in 2019 (€2.5 million for 2018).

6.2 Property, plant and equipment

In accordance with IAS 16, an asset is classified as property, plant and equipment if it is held for use in the production or supply of goods or services, or for administrative purposes. These assets are recognised in the consolidated statement of financial position if it is probable that the future economic benefits attributable to the asset will flow to the Group and if the cost of the asset can be measured reliably.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives, as follows:

- fixtures, fittings and facilities: 3 to 10 years;
- vehicles: 3 to 5 years;
- office and IT equipment: 3 to 5 years;
- furniture: 10 years.

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised (and either included in the carrying amount of an asset or recognised as a separate component) if the IAS 16 recognition criteria are met, i.e. if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the expenditure can be measured reliably. Routine repair and maintenance costs are expensed in the period they are incurred.

The depreciable amount of property, plant and equipment is determined after deducting residual value if this value is deemed material. If significant parts of an item of property plant and equipment have different useful lives and therefore different depreciation periods they are accounted for as separate items (major components) of property, plant and equipment.

In millions of euros	Land, buildings, and fixtures and fittings	IT equipment	Other	Total
Gross value at 1 January 2018	**10.3**	**7.9**	**4.2**	**22.4**
Accumulated depreciation and impairment losses at 1 January 2018	(6.2)	(6.8)	(2.7)	(15.7)
Carrying amount at 1 January 2018	**4.1**	**1.1**	**1.5**	**6.7**
Additions	1.0	1.3	1.2	3.5
Depreciation	(1.3)	(0.8)	(0.4)	(2.5)
Currency translation differences	-	-	(0.1)	(0.1)
Other movements	(0.2)	0.3	(0.1)	-
Gross value at 31 December 2018	**11.1**	**9.2**	**5.1**	**25.4**
Accumulated depreciation and impairment losses at 31 December 2018	(7.5)	(7.3)	(2.9)	(17.7)
Carrying amount at 31 December 2018	**3.6**	**1.9**	**2.1**	**7.6**
Additions	0.3	2.4	3.4	6.1
First-time consolidations	-	-	0.1	0.1
Depreciation	(1.0)	(1.2)	(0.9)	(3.1)
Disposals and retirements	-	-	(0.2)	(0.2)
Other movements	(1.3)	(0.1)	1.4	-
Gross value at 31 December 2019	**9.1**	**11.2**	**11.9**	**32.2**
Accumulated depreciation and impairment losses at 31 December 2019	(7.5)	(8.2)	(6.0)	(21.7)
Carrying amount at 31 December 2019	**1.6**	**3.0**	**5.9**	**10.5**

6.3 Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at fair value and any gains or losses arising from changes in fair value are recognised directly in the income statement.

The building recognised under "Investment property" at 31 December 2019 corresponds to a fully-owned property located in Equeurdreville, France, which is measured at fair value. It was valued in February 2014 by an independent valuer who has no legal ties with the Group. In compliance with IFRS, the valuation method used was based on analysing recent transactions involving similar assets in the same market, as well as a return-based approach. Major market trends were also taken into consideration.

At 31 December 2019, the value of this investment property was €1.4 million.

There have been no significant changes in the substance of the lease contract on the property since the last valuation was performed.

6.4 Expleo Group shares and convertible bonds

Assystem's interest in the equity and quasi-equity instruments of Expleo Group is recognised in the consolidated statement of financial position under "Expleo Group shares and convertible bonds". The Expleo Group convertible bonds held by Assystem are measured at fair value through profit or loss.

In millions of euros	2019	2018
At 1 January	**190.3**	**128.3**
Expleo Group shares acquired*	-	30.4
Expleo Group convertible bonds acquired	-	30.3
Share of profit/(loss)	4.5	(6.2)
Movements recognised in equity	(0.5)	0.7
Income from convertible bonds	9.1	8.3
Other comprehensive income/(expense)	(0.8)	(1.5)
At 31 December	202.6	190.3
Portion related to shares accounted for by the equity method	91.2	88.1
Portion related to convertible bonds	111.4	102.2

* *Purchase price of the shares including transaction costs*

EXPLEO GROUP KEY FIGURES

In millions of euros	2019	2018
Revenue	**1,084.1**	**1,042.7**
Profit/(loss) for the period	11.7	(16.3)
Other comprehensive income/(expense)	(2.3)	(3.7)
Total comprehensive income/(expense)	**9.4**	**(20.0)**
Non-current assets	1,100.6	982.4
Current assets	426.3	401.9
Non-current liabilities	(886.2)	(806.5)
Current liabilities	(404.2)	(357.7)
Net assets	**236.5**	**220.1**

RELATED-PARTY TRANSACTIONS WITH EXPLEO GROUP

In millions of euros	2019	2018
Revenue	2.9	5.9
Other operating income and expenses	(2.1)	(4.5)
Financial income	9.1	8.3
Trade receivables and other current assets	3.5	2.5
Trade payables and other current liabilities	2.0	1.4
Expleo Group convertible bonds	111.4	102.2

6.5 Non-current financial assets

Equity instruments

In accordance with IFRS 9, shares held in non-consolidated companies are recognised at fair value. Fair value gains and losses on these financial assets, as well as gains and losses on their disposal, are recognised based on the business model used for their management, either in the income statement under "Other financial income and expenses" or in equity under "Total other comprehensive income/(expense)" (in which case they are not recycled to profit).

Other non-current financial assets

The Group's other non-current financial assets include loans and receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They typically arise when an entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are initially recognised at fair value and subsequently measured at amortised cost. Impairment losses are recognised for these assets using the expected credit loss method in application of IFRS 9.

In millions of euros	2019	2018
At 1 January	**129.1**	**128.6**
Increases	2.1	0.7
Repayments	(0.2)	(0.2)
Increases related to business combinations	0.1	-
Payment of additional consideration for the investment in Framatome	12.5	-
Changes in fair value	0.4	-
Other movements	(0.2)	-
At 31 December	**143.8**	**129.1**

The Group's other non-current financial assets primarily correspond to its investment in Framatome (see Note 2 – Significant events of the year), which is measured at fair value through profit or loss.

They also include guarantee deposits granted to entities with which the Group enters into real estate lease arrangements. These deposits are returned to the Group at the end of the lease. The Group generally enters into lease arrangements with leading real estate market operators and therefore the corresponding credit risk is very limited.

This item also includes amounts granted as loans by the Group as its contribution to the effort à la construction French government housing scheme. These loans are repayable by public bodies after a 20-year period and are discounted.

6.6 Reconciliation of acquisitions of property, plant and equipment and intangible assets recorded in the consolidated statement of cash flows

In millions of euros	2019	2018
Change in operating loans and guarantee deposits	(1.9)	(0.5)
Acquisitions of intangible assets	(8.4)	(4.6)
Acquisitions of property, plant and equipment	(6.1)	(3.5)
Change in amounts due to suppliers of non-current assets	0.4	0.5
Acquisitions of property, plant and equipment and intangible assets	**(16.0)**	**(8.1)**

The cash flows related to investments in the Group's new ERP system (recorded under "Acquisitions of property, plant and equipment and intangible assets" in the consolidated statement of cash flows) amounted to €7.0 million.

In millions of euros	2019	2018
Sale price of non-current assets	0.2	0.2
Change in receivables related to sales of non-current assets	-	-
Proceeds from disposals of property, plant and equipment and intangible assets	**0.2**	**0.2**

NOTE 7 EQUITY AND EARNINGS PER SHARE

7.1 Shares

	Ordinary shares	
In number of shares	2019	2018
At 1 January	**15,668,216**	**15,668,216**
Issue of shares following the share buyback offer		
Treasury shares	(670,640)	(667,336)
At 31 December	**14,997,576**	**15,000,880**
Number of shares issued and fully paid up	**15,668,216**	**15,668,216**
Par value *(in euros per share)*	**1.00**	**1.00**

At 31 December 2019, Assystem SA's shares broke down as follows:

- number of shares with single voting rights: 6,522,035;
- number of shares with double voting rights: 9,146,181.

Each share gives its holder the same rights to dividend payments.

7.2 Treasury shares

In accordance with IAS 32, shares in the Group's parent company held by itself or any of its subsidiaries are recognised at cost as a deduction from equity. No fair value gains or losses are recognised on these shares. Post-tax gains or losses arising on the disposal of treasury shares are recognised directly in equity.

	Treasury shares	
In number of shares	2019	2018
At 1 January	**667,336**	**509,153**
Purchases of treasury shares	71,413	229,084
Sales of treasury shares	(67,109)	(67,401)
Treasury shares delivered to employees and corporate officers	(1,000)	(3,500)
At 31 December	**670,640**	**667,336**
Value of treasury shares recognised in equity (in millions of euros)	**(15.8)**	**(15.3)**

7.3 Earnings per share

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period.

	2019			2018		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit for the period attributable to owners of the parent	27.5	(0.5)	27.0	20.2	(0.3)	19.9
Basic earnings attributable to owners of the parent	**27.5**	**-**	**27.5**	**20.2**	**(0.3)**	**19.9**
Weighted average number of ordinary shares outstanding during the year	15,004,957	15,004,957	15,004,957	15,089,319	15,089,319	15,089,319
Basic earnings per share *(in euros)*	**1.83**	**-**	**1.83**	**1.34**	**-**	**1.32**

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting (i) profit for the period attributable to owners of the parent for the impact of potentially dilutive instruments, net of the related tax, and (ii) the weighted average number of ordinary shares outstanding by assuming conversion into ordinary shares of all dilutive instruments outstanding. Treasury shares deducted from consolidated equity are not taken into account in the calculation of basic or diluted earnings per share.

The Group's dilutive instruments correspond to free shares and performance shares.

Dilutive instruments are only taken into account if their dilutive impact reduces earnings per share or increases loss per share. In accordance with IAS 33, if diluted earnings per share is higher than basic earnings per share, it is considered to be non-representative and is reduced to the same amount as basic earnings per share.

Diluted earnings per share break down as follows:

In millions of euros	2019 Continuing operations	2019 Discontinued operations	2019 Total	2018 Continuing operations	2018 Discontinued operations	2018 Total
Profit for the period attributable to owners of the parent	27.5	(0.5)	27.0	20.2	(0.3)	19.9
Interest expense related to Ornane and Odirnane bonds (net of income tax)	-	-	-	-	-	-
Adjusted profit used to calculate diluted earnings per share	**27.5**	**(0.5)**	**27.0**	**20.2**	**(0.3)**	**19.9**
Weighted average number of ordinary shares outstanding during the year	15,004,957	15,004,957	15,004,957	15,089,319	15,089,319	15,089,319
Weighted average number of potential ordinary shares based on dilutive instruments outstanding during the year:						
- Free shares and/or performance shares	193,075	110,640	303,715	144,060	112,320	256,380
Weighted average number of ordinary shares used to calculate diluted earnings per share	**15,198,032**	**15,115,597**	**15,308,672**	**15,233,379**	**15,201,639**	**15,345,699**
Diluted earnings per share *(in euros)*	**1.81**	**-**	**1.76**	**1.33**	**-**	**1.30**

7.4 Dividend per share

	2020*	2019	2018
Date of dividend payout from prior-year profit	By 16/07/2020	19/06/2019	21/06/2018
Date of dividend payout on prior-year profit proposed to shareholders at the AGM	26/06/2020	16/05/2019	16/05/2018
Total dividend *(in millions of euros)* paid out from prior-year profit	ND	15.0	15.1
Dividend per share *(in euros)* paid out from prior-year profit*	1.00	1.00	1.00

* *Subject to shareholder approval at the AGM.*

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NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Cash and cash equivalents

The "Cash and cash equivalents" line in the statement of financial position includes cash (cash in hand and demand deposits) and cash equivalents (highly liquid short-term investments readily convertible into a known amount of cash and subject to an insignificant risk of a change in value).

Cash and cash equivalents do not include investments in listed shares, investments with an initial maturity of more than three months and no option of early divestment, and bank accounts subject to restrictions (blocked accounts).

Net cash and cash equivalents presented in the statement of cash flows corresponds to cash and cash equivalents less bank overdrafts.

In millions of euros	2019	2018
Cash	29.2	32.4
Cash equivalents	-	-
Total	**29.2**	**32.4**

No restrictions have been placed on the use of the Group's bank accounts.

A reconciliation between cash and cash equivalents presented in the consolidated statement of cash flows and the statement of financial position is shown in the table below.

In millions of euros	2019	2018
Cash and cash equivalents	32.4	28.2
Bank overdrafts	(0.3)	(0.9)
Net cash and cash equivalents at beginning of year	**32.1**	**27.3**
Cash and cash equivalents	29.2	32.4
Bank overdrafts	(0.1)	(0.3)
Net cash and cash equivalents at year-end	**29.1**	**32.1**

8.2 Debt and other financial liabilities

Debt and other financial liabilities are initially recognised at fair value less transaction costs, and are subsequently measured at amortised cost determined using the effective interest method. They are classified as "current" when the Group is required to settle them within twelve months after the reporting date and as "non-current" when the settlement is due beyond those twelve months.

LONG-AND SHORT-TERM DEBT AND NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

In millions of euros	At 1 January 2019	Increases	Repayments	Year-on-year changes	Effect of changes in scope of consolidation	Currency translation differences	Other movements	At 31 December 2019
Bank borrowings	59.4	17.0	(0.2)	-	0.3	-	0.2	76.7
Sundry financial liabilities	3.7	-	-	-	-	0.1	-	3.8
Total non-current financial liabilities	**63.1**	**17.0**	**(0.2)**	**-**	**0.3**	**0.1**	**0.2**	**80.5**
Bank borrowings	-	-	-	-	-	-	-	-
Sundry financial liabilities	0.4	0.2	-	(0.7)	0.4	-	-	0.3
Total current financial liabilities	**0.4**	**0.2**	**-**	**(0.7)**	**0.4**	**-**	**-**	**0.3**
Bank borrowings	59.4	17.0	(0.2)	-	0.3	-	0.2	76.7
Sundry financial liabilities	4.1	0.2	-	(0.7)	0.4	0.1	-	4.1
Total	**63.5**	**17.2**	**(0.2)**	**(0.7)**	**0.7**	**0.1**	**0.2**	**80.8**

On 18 June 2019, Assystem signed a second addendum to its loan agreement dated 28 September 2017 (as amended on 19 January 2018), which includes an investment loan and a revolving credit facility. Pursuant to this addendum, Assystem (i) increased the investment loan by €30.0 million, raising its outstanding amount to €60.0 million, and extended its maturity to 28 September 2024, and (ii) repaid €30 million in drawdowns made on the revolving credit facility.

At the same time, the overall amount of the revolving credit facility was reduced from €150.0 million to €120.0 million, and the Group exercised the option provided for in the 28 September 2017 agreement to extend the facility's maturity to 28 September 2024.

At 31 December 2019, the Group had drawn down €17.0 million of this revolving credit facility.

The revolving credit facility and the investment loan are both subject to a financial covenant, which was not amended by the above-mentioned second addendum. Any breach of this covenant would trigger early repayment of all of the outstanding amounts classified as short-term debt and current financial liabilities at 31 December 2019. The covenant is based on the consolidated gearing ratio (consolidated net debt/EBITDA for the past 12 months as adjusted for acquisitions and divestments). This ratio is measured at the end of each half-year and annual period and must not exceed 3.95 at 30 June and 3.75 at 31 December.

At 31 December 2019, the Group's gearing ratio was below the ceiling specified in the covenant.

8.3 Derivative instruments

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. The method of recognising the resulting fair value gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedged item.

On inception of a hedge, the Group documents the relationship between the hedged item and the hedging instrument. The Group also documents its estimates both on inception and prospectively to determine the effectiveness of the hedge in offsetting changes in fair value or cash flows attributable to the hedged risk.

Fair value hedges

Fair value hedges are used to hedge the Group's exposure to changes in fair value of a recognised asset or liability (or an identified portion of such an asset or liability) or a firm commitment to purchase or sell an asset at a pre-defined price, that is attributable to a particular risk and could affect profit. Fair value gains and losses are recognised in the income statement.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and which could affect profit.

The Group applies cash flow hedge accounting when the following conditions are met:

- there is formal designation and documentation of the hedging relationship;
- the hedge is highly effective; and
- the forecast transaction that is the subject of the hedge is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in the income statement. If the hedging instrument expires, or is sold, cancelled or exercised, the gain or loss initially recognised in other comprehensive income continues to be recorded separately in other comprehensive income until the forecast transaction occurs. If the commitment no longer exists or the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that had been recognised directly in other comprehensive income is reclassified to profit.

CURRENCY DERIVATIVES

During 2019 the Group pursued its currency hedging strategy (see Chapter 2, Section 2.2.3 of this Universal Registration Document – Financial risks) by setting up new hedges comprising currency forwards and swaps.

At 31 December 2018 and 2019, the fair value of the Group's currency derivatives was not material.

8.4 Net debt

Cash and debt consist of (i) cash and cash equivalents and non-current and current derivatives (included in other financial assets) on the assets side of the statement of financial position, and (ii) debt and financial liabilities, and the fair value of derivatives on the liabilities side.

Net debt corresponds to gross debt (bond debt, other long- and short-term debt and current and non-current financial liabilities and derivatives recorded under current and non-current liabilities) less cash and cash equivalents and derivatives recorded under current and non-current assets. Net debt breaks down as follows:

		Maturity schedule					
In millions of euros	At 31 Dec. 2019	2020	2021	2022	2023	2024	Due beyond 5 years
Bank borrowings*	76.7	-	-	-	-	77.0	-
Sundry financial liabilities	4.1	0.3	-	-	-	-	3.8
Gross debt	**80.8**	**0.3**	**-**	**-**		**77.0**	**3.8**
Cash and cash equivalents	29.2	29.2	-	-	-	-	-
Cash, cash equivalents and derivatives recorded under assets	**29.2**	**29.2**	**-**	**-**	**-**	**-**	**-**
Net debt	**51.6**	**(28.9)**	**-**	**-**		**77.0**	**3.8**

* *Unamortised borrowing costs of €0.3 million at 31 December 2019 have not been included in the maturity schedule of bank borrowings.*

The table below shows a breakdown of net debt by currency, converted at the closing rates:

In millions of euros	At 31 Dec. 2019	Euro	Pound sterling	US dollar	Other currencies
Net debt	**51.6**	**66.1**	**(3.9)**	**(4.4)**	**(6.2)**

8.5 Financial income and expenses

Net financial expense on cash and debt

"Net financial expense on cash and debt" corresponds to all income and expenses arising during the period on items making up net debt, including gains and losses on interest rate and currency hedges on debt.

Fair value gains and losses on the above-mentioned categories of financial assets and liabilities are not included in this line in the income statement and instead are recognised in "Other financial income and expenses".

In millions of euros	2019	2018
Medium- and long-term credit facilities	(1.1)	(0.9)
Interest expense on debt	**(1.1)**	**(0.9)**
Currency effect	0.7	0.3
Other financial income and expenses arising on net debt	(1.4)	(0.8)
Net financial expense on cash and debt	**(1.8)**	**(1.4)**

Other financial income and expenses

Other financial income and expenses correspond to income and expenses that are non-operational (e.g. financial income arising from the main business of the Company, a subsidiary or a division or financial income associated with a commercial activity) and which are not included in "Net financial expense on cash and debt".

They mainly consist of dividends from non-consolidated companies, impairment of available-for-sale ("AFS") financial assets, gains and losses on disposals of AFS financial assets, impairment and losses on disposals of other current and non-current financial assets, the effect of discounting provisions, fair value gains and losses on financial assets and liabilities, and miscellaneous financial income and expenses.

In millions of euros	2019	2018
Interest expense on lease liabilities	(0.8)	-
Effect of discounting	(0.1)	(0.1)
Amortised cost of financial liabilities	(0.2)	(0.2)
Framatome dividends	2.4	-
Foreign exchange gains and losses	-	0.7
Net gain/(loss) on financial liabilities at fair value through profit or loss	(0.4)	0.4
Miscellaneous financial income and expenses	(0.4)	(0.8)
Total other financial income and expenses	**0.5**	-

The full €0.4 million net loss on financial liabilities at fair value through profit or loss relates to a revision of the assumptions used for calculating the put options granted to non-controlling interests in the Turkish company, Envy, and commitments to pay dividends to that company's third-party shareholders (see Note 10 – Liabilities related to share acquisitions (current and non-current) and other non-current liabilities).

8.6 Financial risk management

The Group's risk management strategy is described in detail in Chapter 2, Section 2.2.3 of this Universal Registration Document – Financial risks.

This Note sets out the figures related to financial risk management.

EXPOSURE TO RISKS RELATED TO THE TRANSLATION INTO EUROS OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES DENOMINATED IN A LOCAL CURRENCY

The Group is exposed to risks related to the translation into euros of the financial statements of foreign subsidiaries denominated in local currency. The main risk exposure in this respect concerns the Turkish lira (TRY), the Saudi Arabian riyal (SAR) and the pound sterling (GBP).

The net assets of the subsidiaries operating in the countries concerned are set out in the table below.

In millions of local currency	TRY	SAR	GBP
Non-current assets	78.0	107.5	4.8
Current assets	29.4	110.8	11.6
Total assets	**107.4**	**218.3**	**16.4**
Non-current liabilities	1.0	30.7	4.0
Current liabilities	14.3	97.3	3.4
Total liabilities	**15.3**	**128.0**	**7.4**
Net assets at year-end in local currency	**92.1**	**90.3**	**9.0**
Net assets at year-end converted into euros	**13.8**	**21.7**	**10.6**

The year-on-year change in the exchange rates of these currencies was as follows:

	2019	2018	Year-on-year change (in %)
1 TRY = x EUR	0.15	0.17	-9%
1 SAR = x EUR	0.24	0.23	+3%
1 GBP = x EUR	1.18	1.12	+6%

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk concerns the borrowings set up on 28 September 2017 and amended twice since that date, comprising (i) a €120.0 million revolving credit facility expiring in September 2024, of which €17.0 million had been drawn down at 31 December 2019, and (ii) a €60.0 million investment loan maturing in September 2024. Interest on these borrowings is indexed against the Euribor for the period concerned, i.e. one and/or three months. If the Euribor is negative the interest is deemed to be zero. The Group has set up an interest rate swap for a notional amount of €60.0 million, i.e. the amount of the investment loan. This swap – under which Assystem is a variable-rate lender with interest based on the 3-month Euribor with a zero floor, and a fixed-rate borrower paying an annual interest rate of 0.05% – runs from 30 June 2020 to 30 June 2023.

RESIDUAL CONTRACTUAL MATURITIES

A breakdown of the residual contractual maturities of the Group's financial liabilities (including interest payments) is provided in the table below. The contractual cash flows presented – which cover coupons, interest payments and redemptions/repayments – have not been discounted.

In millions of euros	Carrying amount at 31 Dec. 2019	Contractual cash flows	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Sundry financial liabilities	80.8	84.2	0.7	79.8	3.7
Current and non-current liabilities related to share acquisitions	4.4	7.7	-	3.3	4.4
Other non-current liabilities	0.8	1.2	-	0.8	0.4
Trade payables	32.7	32.7	32.7	-	-
Other current liabilities*	29.0	29.0	29.0	-	-
Total contractual obligations	**147.7**	**154.8**	**62.4**	**83.9**	**8.5**

* *Excluding accrued taxes and payroll costs and contract liabilities.*

NOTE 9 PROVISIONS

In accordance with IAS 37, a provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be measured reliably.

Where the effect of the time value of money is material, provisions are discounted using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

In millions of euros	At 1 Jan. 2019	Additions	Reversals (used provisions)	Reversals (unused provisions)	Increases related to business combinations	At 31 Dec. 2019
Employee-related risks and tax risks	16.6	0.4	(0.4)	-	0.6	17.2
Total long-term provisions	**16.6**	**0.4**	**(0.4)**	**-**	**0.6**	**17.2**
Guarantees for fixed-fee projects and losses at completion	0.4	0.4	(0.1)	(0.4)	0.1	0.4
Restructuring costs	1.3	-	(1.1)	(0.1)	-	0.1
Employee-related risks and tax risks	1.2	0.8	(0.3)	(0.3)	0.1	1.5
Other	0.8	0.8	(0.2)	(0.5)	0.1	1.0
Total short-term provisions	**3.7**	**2.0**	**(1.7)**	**(1.3)**	**0.3**	**3.0**
Guarantees for fixed-fee projects and losses at completion	0.4	0.4	(0.1)	(0.4)	0.1	0.4
Restructuring costs	1.3	-	(1.1)	(0.1)	-	0.1
Employee-related risks and tax risks	17.8	1.2	(0.7)	(0.3)	0.7	18.7
Other	0.8	0.8	(0.2)	(0.5)	0.1	1.0
Total provisions	**20.3**	**2.4**	**(2.1)**	**(1.3)**	**0.9**	**20.2**

In late 2014, the Company received notification of a €13.5 million tax reassessment relating to research tax credits recognised for 2010, 2011 and 2012 by its subsidiary Assystem France, which is now an Expleo Group subsidiary but was a member of the Company's tax group during the years concerned. The Company is fully contesting the validity of this reassessment.

The risk relating to this dispute was transferred by Assystem France to the Company at end-2016 in return for the payment by Assystem France of €7.3 million in compensation The Company recognised a provision in its 2016 financial statements for the full amount of this compensation.

At end-2017, the Company received a payment notice from the tax authorities for the reassessed amount and therefore recognised an additional provision in its 2017 financial statements. The provision covers since then the full reassessed amount as well as the potential late payment penalties.

At 31 December 2019 the provision amounted to €16.6 million, including the amount recognised during the year for additional potential late payment penalties.

Also during 2019, the French tax authorities' National and International Audit Department carried out an audit on the Company's accounts for 2016 and 2017. No tax reassessments were issued following this audit.

NOTE 10 LIABILITIES RELATED TO SHARE ACQUISITIONS (CURRENT AND NON-CURRENT) AND OTHER NON-CURRENT LIABILITIES

In some cases, the Group grants put options to minority shareholders of its subsidiaries in relation to their non-controlling interests held in those subsidiaries. The exercise price of these options may be fixed or based on a pre-determined formula.

Where such put options are granted, the Group recognises a related financial liability. This liability is initially recognised at the present value of the exercise price, and at the end of subsequent reporting periods it is measured by reference to the fair value of the shares that would potentially have to be purchased if the exercise price is based on fair value. Subsequent changes in the fair value of the put options are recognised in financial income or expenses.

The Group also recognises a non-current liability for the discounted amounts relating to commitments to pay dividends to third-party shareholders.

The €4.4 million recognised under non-current liabilities related to share acquisitions at 31 December 2019 concerns the put options granted to the minority shareholders of Envy (€4.6 million at 31 December 2018). Movements in the liabilities related to Envy's minority shareholders are described in Note 8.5 – Financial income and expenses.

In 2019 the Group paid €1.0 million to buy out the last remaining minority shareholder of Assystem Care Holding (see Note 3.2 – Business combinations).

NOTE 11 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

11.1 Accounting classification of financial assets and liabilities

FINANCIAL ASSETS

The table below shows the carrying amounts and fair values of the Group's financial assets over the past two years:

	2019				2018
In millions of euros	Carrying amount	Financial assets designated as at fair value through profit or loss	Financial assets at fair value through profit or loss (mandatory)	Financial assets at amortised cost	Carrying amount
Investment property	1.4	-	1.4	-	1.4
Expleo Group convertible bonds	111.4	111.4	-	-	102.2
Other non-current financial assets	143.8	136.7	-	7.1	129.1
Trade receivables	160.8	-	-	160.8	150.8
Other receivables*	4.9	-	-	4.9	7.3
Other current assets	0.5	-	-	0.5	0.5
Cash and cash equivalents	29.2	-	-	29.2	32.4
Total	**452.0**	**248.1**	**1.4**	**202.5**	**423.7**

* *Excluding employee-related receivables, tax receivables and prepaid expenses.*

FINANCIAL LIABILITIES

The table below shows the carrying amounts and fair values of the Group's financial liabilities over the past two years:

In millions of euros	2019 Carrying amount	2019 Financial liabilities designated as at fair value through profit or loss	2019 Financial liabilities at fair value through profit or loss (mandatory)	2019 Financial liabilities at amortised cost	2018 Carrying amount
Debt and current and non-current financial liabilities	80.8	-	-	80.8	63.5
Current and non-current liabilities related to share acquisitions	4.4	-	4.4	-	5.7
Other non-current liabilities	0.8	-	0.6	0.2	1.3
Trade payables	32.7	-	-	32.7	31.0
Due to suppliers of non-current assets	1.2	-	-	1.2	0.8
Other current liabilities*	5.7	-	0.3	5.4	6.9
Total	**125.6**	**-**	**5.3**	**120.3**	**109.2**

* *Excluding accrued taxes and payroll costs and contract liabilities.*

11.2 Fair value hierarchy

The Group uses the fair value hierarchy established in IFRS which categorises financial instruments into three levels based on the inputs to valuation techniques used to measure their fair value as recognised in the statement of financial position. These levels are as follows:

- level 1: financial instruments for which there are quoted prices in an active market;
- level 2: financial instruments whose fair value measurement is based on observable market inputs other than quoted prices included in level 1;
- level 3: financial instruments whose inputs are unobservable (i.e. inputs whose value does not result from the price of observable market transactions for the same instrument or from observable market data available at the reporting date) or inputs which are only partially observable.

At 31 December 2019, the fair value hierarchy levels for the Group's financial instruments were as follows:

	Level 1 – Market price	Level 2 – Observable market inputs	Level 3 – Unobservable inputs	Total
Investment property	-	-	1.4	1.4
Expleo Group convertible bonds			111.4	111.4
Investment in Framatome	-	-	136.7	136.7
Total	**-**	**-**	**249.5**	**249.5**
Current and non-current liabilities related to share acquisitions	-	-	4.4	4.4
Other current and non-current liabilities	-	-	1.0	1.0
Total	**-**	**-**	**5.4**	**5.4**

NOTE 12 INCOME TAX

12.1 Income tax recognised during the year

In millions of euros	2019	2018
Current tax	(10.7)	(6.4)
Deferred tax	(0.5)	0.2
Total recognised in the income statement	**(11.2)**	**(6.2)**
Tax payable on treasury shares	(0.1)	-
Tax recognised in other comprehensive income	0.4	(0.1)
Total recognised directly in equity	**0.3**	**(0.1)**
Current tax	(10.7)	(6.4)
Deferred tax	(0.2)	0.1
Total for the year	**(10.9)**	**(6.3)**

12.2 Tax proof

The table below reconciles the Group's actual income tax expense to the theoretical income tax expense based on the tax rate applicable to the profit of consolidated companies:

In millions of euros	2019	2018
Profit before tax from continuing operations (excluding share of profit of equity-accounted investees, income from Expleo Group convertible bonds and goodwill *impairment)*	31.2	23.5
Theoretical income tax rate	34.43%	34.43%
Theoretical income tax expense	**(10.7)**	**(8.1)**
Permanent differences	3.1	4.0
Differences arising from applying different taxation rates	0.9	2.1
Other taxes	(4.1)	(4.1)
Income or expense relating to changes in tax rates or the imposition of new taxes	-	(0.2)
Adjustments recognised during the year for prior years	(0.2)	0.1
Benefits arising from tax losses and temporary differences not recognised in prior years	-	-
Impact of tax losses and temporary differences not used during the year	(0.2)	-
Total adjustments	**(0.5)**	**1.9**
Actual income tax expense	**(11.2)**	**(6.2)**
Effective tax rate	**35.90%**	**26.38%**

The amount shown under "Other taxes" mainly comprises the Corporate Value-Added Contribution (CVAE) for French subsidiaries.

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12.3 Deferred taxes

Deferred taxes are recognised using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, apart from in the exceptional cases referred to in IAS 12.

Deferred tax assets are recognised for the carryforward of unused tax losses and unused tax credits and deductible temporary differences only to the extent that it is probable that the Group will have sufficient future taxable profit against which the unused tax losses, tax credits or temporary differences can be utilised.

The following elements are taken into account when estimating whether the Group will have sufficient future taxable profit to recover deferred tax assets:

- forecasts of future taxable profits;
- non-recurring expenses included in past losses and which will not be incurred again in the future;
- past history of taxable profit for prior years.

A deferred tax liability is recognised for taxable temporary differences relating to equity-accounted investees even if it is probable that there will be undistributed profits (as the Group does not control the investee and therefore cannot determine its profit distribution policy), unless there is an agreement requiring that the profits of the equity-accounted investee will not be distributed in the foreseeable future.

When a deferred tax asset or liability relates to an item that is recognised directly in equity, then the related deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset only when the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are not discounted.

Deferred taxes presented in the statement of financial position are grouped by tax units. However, the table below uses the presentation by type of deferred tax.

NET DEFERRED TAXES PRESENTED IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	2019	2018
Deferred tax assets	5.1	5.3
Recoverable within 1 year	0.8	1.8
Recoverable beyond 1 year	4.3	3.5
Deferred tax liabilities	0.6	0.6
Due within 1 year	-	-
Due beyond 1 year	0.6	0.6
Net deferred tax assets	**4.5**	**4.7**
of which recoverable within one year	0.8	1.8
of which recoverable beyond one year	3.7	2.9

MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES

In millions of euros	Employee benefit obligations	Tax loss carryforwards	Other	Deferred tax assets (a)	Deferred tax liabilities (b)	Net deferred tax assets (a-b)
At 31 December 2017	**3.1**	**-**	**2.0**	**5.1**	**(0.6)**	**4.5**
Increases related to business combinations	0.1	0.3	(0.3)	0.1	-	0.1
Year-on-year changes recognised in the income statement	0.2	0.9	(0.9)	0.2	-	0.2
Deferred taxes recognised in other comprehensive income	(0.1)	-	-	(0.1)	-	(0.1)
At 31 December 2018	**3.3**	**1.2**	**0.8**	**5.3**	**(0.6)**	**4.7**
Year-on-year changes recognised in the income statement	0.3	(0.9)	0.1	(0.5)	-	(0.5)
Deferred taxes recognised in other comprehensive income	0.4	-	-	0.4	-	0.4
Deferred taxes recognised in equity	-	-	(0.1)	(0.1)	-	(0.1)
At 31 December 2019	**4.0**	**0.3**	**0.8**	**5.1**	**(0.6)**	**4.5**

Other deferred tax assets mainly concerned employee profit-sharing, and depreciation and amortisation.

NOTE 13 OFF-BALANCE SHEET COMMITMENTS

At 31 December 2019, Management considered that there were no existing off-balance sheet commitments, other than those set out below, that would be likely to have a material impact on the current or future financial position of the Assystem Group.

	Commitments given		Commitments received	
In millions of euros	Deposits, guarantees and sureties	Collateral	Deposits, guarantees and sureties	Unused credit facilities
Holding company	19.7	-	0.1	103.0
France	2.4	-	-	-
Other European countries	0.1	-	-	-
AMEA	5.6	-	-	-
Other	-	-	-	-
Total	**27.8**	-	**0.1**	**103.0**

NOTE 14 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date that require disclosure in this Universal Registration Document.

5.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.

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

To the Annual General Meeting of Assystem SA

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Assystem SA for the year ended 31 December 2019. These financial statements were approved by the board of directors on 9 March 2020 on the basis of the information available at that date in a changing context of the health crisis linked to Covid-19.

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

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

Basis for Opinion

AUDIT FRAMEWORK

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

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" Section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (code de déontologie) for Statutory Auditors.

Emphasis of Matter

We draw your attention to the following matter described in Note 1 "Reporting entity and basis of preparation" to the consolidated financial statements relating to the impact of the change in accounting policies as mentioned in paragraph "IFRS16 – Lease contracts". Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

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

VALUATION OF GOODWILL

Notes 1, 3.3 and 3.4 to the consolidated financial statements

Risk	Our response
The acquisitions made by the Group led to the recognition of goodwill determined as being the difference between the fair value of the consideration transferred, plus the amount of any non-controlling equity interest in the company acquired and the net amount of the identifiable assets acquired and liabilities assumed. Such goodwill is shown in the balance sheet for a net amount of 84.6 million of euros as of 31 December 2019 for the Energy & Infrastructure (E&I) business and nil for the Staffing business further to a 6.1 million of euros impairment loss booked as of 31 December 2019. It was allocated to the cash-generating units (CGU) of the businesses into which the companies acquired were integrated. The Group conducts impairment tests at each year-end or whenever a triggering event is identified, in order to estimate the recoverable value of the CGU (defined as the higher amount between the fair value net of any exit costs and the value in use corresponding to the discounted value of estimated future cash flows expected from the use of the CGU). An impairment loss is recognized at the level of a CGU if its recoverable value is lower than its net book value and should firstly be allocated to the goodwill of the CGU. The recoverable value of the CGU was determined using its value in use. To determine the value in use, the Group has forecast the future cash flows it expects to obtain from the CGU over a period of four years. The future cash flows generated beyond this four years period were extrapolated by taking into account a growth rate which cannot exceed the average long-term growth rate of the overall business sector. The future cash flows are discounted using the Weighted Average Cost of Capital (WACC) of the sector. Furthermore, an unfavourable change in market conditions or the cash flows originally estimated may lead to the recognition of an additional impairment loss. The Group has fully depreciated the goodwill allocated to the Staffing CGU for 6.1 million of euros as of 31 December 2019 due to the turnover and profitability forecasts of this CGU. The methodology used in carrying out the impairment test as well as the detailed assumptions adopted are described in note 3.4. We have therefore considered the valuation of goodwill as a key audit matter given the high degree of estimates and judgements made by management, the sensitivity of the calculation of the recoverable values to changes in the forecasting assumptions and the weight of such caption in the Group's consolidated financial statements.	We have assessed the compliance of the Group's impairment test methodology with the accounting standards. We have conducted an assessment about the way the methodology was implemented and have notably assessed: • the level of pooling of the CGU adopted for impairment testing and the consistency of the items included in the carrying value of the CGU with the cash flows used to perform impairment tests; • the reasonableness of the projected cash flows in consideration of the economic and financial contexts in which the E&I and Staffing businesses operate; • the consistency of the budgetary data used with those presented to the Audit Committee and approved by the Board of Directors, and the consistency of forecast data with budgetary assumptions; • the consistency of the assumptions used for determining the long term growth rate with the economic environment prevailing as at the financial statements closing date; • the reliability of the estimation process by examining the root cause for the differences highlighted between forecasts and actual data in relation to past performances; • The reasonableness of the assumptions used for determining the discounting rate with the assistance of our valuation specialists; • the analyses of sensitivity of the value in use to a change in the main assumptions used. Finally, we have assessed whether the notes to the consolidated financial statements (notably the notes 1 "Reporting entity and basis of preparation", 3.3 "Goodwill", and 3.4 "Impairment testing") provided an appropriate information.

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RECOGNITION OF THE REVENUE AND MARGIN FROM FIXED PRICE CONTRACTS

Notes 1, 5.1 and 9.1 to the financial statements

Risk	Our response
Total revenue of the Assystem Group for the year ended 31 December 2019 amounted to 497.5 million of euros; net amount of trade receivables amounted to 160.8 million of euros as of the year end date. As part of its operations, a certain portion of the Group's revenue and results derives from long-term service agreements. These "fixed price contracts" represent agreements through which the Group commits itself to an obligation of results and whose sale price is either originally fixed for the whole project or defined, within a master agreement, for each type of services being ordered. Regarding fixed-price contracts, particularly related to E&I activities, revenues are recognized, in accordance with IFRS 15 'Revenue from contracts with customers' based on the transfer of the control of the service provided. These contracts give rise to the recognition of revenue in accordance with the percentage-of-completion method. The criteria for determining the percentage of completion may include, at a given date, the examination of the work already carried out, the analysis of the services already rendered compared to the total amount of services to be provided, or the analysis of the costs already incurred compared to the total estimated costs at completion. The decision about the criteria to be used lies with the manager of the operational unit who will retain the most appropriate criteria for monitoring the project. Once a loss at completion is considered as likely, it is recorded by setting up a provision whose amount will be reduced by the amount of losses previously recognized. The determination of the percentage of completion and of the revenue to be recognized is dependent on numerous estimates relying on contract costs monitoring and the experience of the management. Updating assumptions and estimates at completion may be made throughout the life of the contract and may significantly impact future results. We considered the correct cut-off related to the recognition of revenue and margin from fixed price contracts as a key audit matter as this process relies on judgements and estimates made by management as to the determination of the percentage of completion, the result at completion and the financial risks anticipated on these contracts.	We have reviewed and tested the internal control processes implemented by the Group for the purpose of contracting, project monitoring, billing and accounting for contracts. The other audit procedures which we carried out in connection with the evaluation of the revenue to be recognized on fixed price contacts consisted of selecting, according to a multi-criteria sampling approach (volume of activity or level of work-in-progress on specific contracts, complexity of the projects, unusual variations noted between two periods or in comparison to the rules adopted by the Group, new contracts for the period…), certain contracts for which we have: • assessed the compliance of the accounting treatment applied with the contractual documentation; • challenged the justification of the estimated results at completion and of the estimated stage of completion with our understanding of these contracts as gained through the meetings we held with business unit management controllers and project managers, and in comparison with past performance obtained on similar contracts; • corroborated the financial position of these contracts with the relevant pieces of documentation (contracts, orders, customer acceptance reports, time sheets); • implemented analytical procedures on the evolution of revenue and income recognized over the financial year. Finally, we have checked that the notes to the financial statements (notably the notes 1 "Reporting entity and basis of preparation", 5.1 "Revenue and trade working capital requirement" and 9 "Provisions") provided an appropriate information.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors approved on 9 March 2020. With regard to the events which occurred and the facts known after the date the financial statements were approved by the Board of Directors relating to the impact of the crisis linked to Covid-19, the management indicated to us that they will be the subject of a communication to the Annual General Meeting called to approve the financial statements.

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of the Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed statutory auditor of Assystem SA by the Annual General Meeting held on 26 August 1999 for Deloitte & Associés and on 30 April 2009 for KPMG.

As at 31 December 2019, Deloitte & Associés and KPMG were in the twenty-first year and the eleventh year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated purpose of expressing an opinion on the effectiveness of the internal control;
- financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on, our independence and the related safeguards.

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Paris La Défense, 31 March 2020

The Statutory Auditors

French original jointly signed by
Eric ROPERT and Laurent GENIN, KPMG audit partners
and Albert AÏDAN, Deloitte & Associés audit partner

5.4 PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS

	31/12/2019			31/12/2018
In thousands of euros	Gross	Depreciation, amortisation and provisions	Net	Net
Intangible assets	**865**	**731**	**134**	**10**
Property. plant and equipment	**2,752**	**2,658**	**94**	**530**
Shares in subsidiaries and affiliates	424,272	23,137	401,135	385,881
Loans	12,950	-	12,950	12,715
Other long-term investments	121,349	-	121,349	112,766
Long-term investments	**558,571**	**23,137**	**535,434**	**511,362**
Fixed assets	**562,188**	**26,526**	**535,662**	**511,902**
Operating receivables	26,582	-	26,582	32,376
Intra-group receivables	11,451	1,061	10,390	6,406
Marketable securities	5,680	-	5,680	4,778
Cash at bank and on hand	6,076	-	6,076	7,467
Prepaid expenses	344	-	344	46
Deferred charges	-	-	-	-
Unrealised foreign exchange losses	529	-	529	735
Current assets	**50,662**	**1,061**	**49,601**	**51,808**
Total assets	**612,850**	**27,587**	**585,263**	**563,710**

EQUITY AND LIABILITIES

	31/12/2019	31/12/2018
Share capital	**15,668**	**15,668**
Share premium	122	119
Legal reserve	1,567	1,567
Untaxed reserves and other reserves	4,414	4,417
Retained earnings	402,300	396,576
Profit for the period	**6,751**	**20,728**
Total equity	430,822	439,075
Provisions for contingencies and charges	22,321	21,629
Convertible bonds	-	-
Bank borrowings	77,045	60,129
Other borrowings and financial liabilities	44,107	34,681
Trade payables	3,568	2,323
Accrued taxes and payroll costs	2,955	1,925
Due to suppliers of fixed assets	100	-
Other payables	4,345	3,947
Deferred income	-	-
Unrealised foreign exchange gains	-	1
Total liabilities	**132,120**	**103,006**
Total equity and liabilities	**585,263**	**563,710**

INCOME STATEMENT

In thousands of euros	2019	2018
Revenue	**9,125**	**6,165**
Reversals of provisions, expense transfers	66	989
Other income	-	1
Operating income	9,191	7,155
Purchases and external charges	(7,267)	(8,532)
Taxes other than on income	(157)	(257)
Wages and social security contributions	(2,991)	(1,851)
Directors' remuneration	(246)	(240)
Depreciation, amortisation and provisions	(82)	(196)
Operating expenses	(10,743)	(11,076)
Operating profit/(loss)	(1,552)	(3,921)
Financial income	18,273	32,148
Financial expenses	(10,542)	(15,201)
Net financial income	7,731	16,947
Profit from recurring operations	6,179	13,026
Net non-recurring income/(expense)	(143)	7,383
Income tax	715	319
Profit for the period	**6,751**	**20,728**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The notes below relate to the balance sheet at 31 December 2019 – prior to the appropriation of the Company's results – and the income statement for the year then ended. The Company ended the year with total assets of €585,263 thousand and profit for the period amounting to €6,751 thousand.

The financial year covered a period of twelve months from 1 January to 31 December 2019.

All amounts are presented in thousands of euros unless otherwise specified.

SOMMAIRE DES NOTES ANNEXES

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

Changes in holdings in subsidiaries and affiliates

ACQUISITIONS OF SHARES IN NEW SUBSIDIARIES

On 28 June 2019, Assystem SA (the "Company") acquired the entire capital of Bâtir Conseils, corresponding to 526 shares, for €1,486 thousand. On December 20, 2019, Assystem Engineering and Operations Services transferred to Bâtir Conseils all of the shares it held in Euro Contrôle Projet. The consideration paid to Assystem Engineering and Operations Services for this transfer was 8,077 Bâtir Conseils shares. Consequently, the Company's equity interest in Bâtir Conseils was reduced to 6.11% at 31 December 2019.

On 8 July 2019, the Company acquired the entire capital of ASCO, corresponding to 220 shares, for €7 million.

ADDITIONAL CONSIDERATION FOR AN EQUITY INTEREST AND MINORITY BUYOUT FOR AN EXISTING SUBSIDIARY

During 2019 the Company made two payments of additional consideration for its December 2017 acquisition of a 5% interest in Framatome, representing an aggregate €12,470 thousand.

On 30 June 2019, the Company acquired 15,300 shares in Assystem Care Holding from its minority shareholder for €998 thousand. Since that date the Company has owned the entire capital of Assystem Care Holding.

SALE OF SHARES AND LIQUIDATION OF A SUBSIDIARY

On 13 June 2019, the Company sold 3% of the share capital of Eurosyn for €164 thousand, reducing its stake in Eurosyn to 51.76%.

On 4 January 2019, the Company liquidated its subsidiary Assystem Italia SPA.

Treasury shares

At 31 December 2019, the fair value of Assystem's treasury shares was calculated based on the average market price of Assystem's shares for the last month of the year. As this average market price was higher than the average purchase price of the treasury shares, no provision for impairment was recognised against these shares at 31 December 2019.

A €5,680 thousand provision has been recognised for the seven free share/performance share plans set up in 2016, 2017, 2018 and 2019 for employees of Group entities other than Assystem S.A., with the same amount recognised in accrued income. The provision recognised relating to beneficiaries of these plans who are employees of the Company amounts to €3 thousand.

Ownership structure of the Assystem Group

The Company is controlled by HDL Development, which held 57.14% of its capital at 31 December 2019 and 74.17% of its exercisable voting rights.

At 31 December 2019, HDL Development was 87.23%-controlled by HDL (51.85% directly and 35.38% through CEFID, H2DA and EEC). HDL is wholly controlled by Dominique Louis, Assystem's Chairman & CEO, who also directly owns 0.48% of the capital of HDL Development. The remaining 12.29% of HDL Development's capital is held by managers and former managers of the Group.

Bank borrowings

On 18 June 2019, Assystem reduced, from €150 million to €120 million, the amount of its revolving credit facility (RCF) set up in 2017, of which €17 million had been drawn down at 31 December 2019. On the same date it also increased the amount of the investment loan it set up in 2018 to €60 million from €30 million. The maturity dates of the RCF and the investment loan were extended from September 2023 to September 2024 and September 2022 to September 2024, respectively, with no repayments due before these maturity dates. The other terms and conditions of these credit facilities remain unchanged.

The RCF and the investment loan are subject to a financial covenant, under which Assystem's consolidated net debt/EBITDA ratio must not exceed 3.75 at 31 December and 3.95 at 30 June each year. This covenant was respected at 31 December 2019.

Changes in share capital and the issue premium account

At 31 December 2019, the Company's share capital amounted to €15,668,216.

Significant events after the reporting date

None

Risk factors

TAX AUDITS

In late 2014, the Company received notification of a €13.5 million tax reassessment relating to research tax credits recognised for 2010, 2011 and 2012 by its subsidiary Assystem France, which is now an Expleo Group subsidiary but was a member of Assystem SA's tax group during the years concerned. Assystem SA is fully contesting the validity of this reassessment.

The risk relating to this dispute was transferred by Assystem France to the Company at end-2016 in return for the payment by Assystem France of €7.3 million in compensation The Company recognised a provision for the full amount of this compensation in its 2016 financial statements.

At end-2017, the Company received a payment notice from the tax authorities for the reassessed amount and therefore recognised an additional provision in its 2017 financial statements. The provision covers since then the full reassessed amount as well as the potential late payment penalties.

At 31 December 2019 the provision totalled €16.6 million, including the amount recognised during the year for additional potential late payment penalties.

Also during 2019, the French tax authorities' National and International Audit Department carried out an audit on the Company's accounts for 2016 and 2017. No tax reassessments were issued following this audit.

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk concerns the borrowings set up on 28 September 2017 and amended twice since that date, comprising (i) a €120 million revolving credit facility expiring in September 2024, of which €17.0 million had been drawn down at 31 December 2019, and (ii) a €60.0 million investment loan maturing in September 2024. Interest on these borrowings is indexed against the Euribor for the period concerned, i.e. one and/or three months. If the Euribor is negative the interest is deemed to be zero. The Group has set up an interest rate swap for a notional amount of €60.0 million, i.e. the amount of the investment loan. This swap – under which Assystem is a variable-rate lender with interest based on the 3-month Euribor with a zero floor, and a fixed-rate borrower paying an annual interest rate of 0.05% – runs from 30 June 2020 to 30 June 2023.

NOTE 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assystem's parent company financial statements for the year ended 31 December 2019 have been prepared in accordance with French generally accepted accounting principles, including the principle of segregation of accounting periods. They are presented on a going concern basis and accounting policies have been applied consistently from one year to the next.

Accounting entries are based on the historical cost convention.

Fixed assets

Intangible assets are carried at cost, excluding financial expenses, which are not capitalised.

Property, plant and equipment are stated at cost, corresponding to either purchase cost (including incidental expenses but excluding transaction costs), or production cost.

Interest on borrowings specifically used to finance property, plant and equipment is not included in production cost.

Depreciation and amortisation are determined on a straight-line basis over the estimated useful lives of the assets concerned as follows:

● software	1 to 5 years
● patents	4 years
● fixtures and fittings	5 to 10 years
● vehicles	3 to 5 years
● office equipment	3 to 5 years
● office furniture	5 to 10 years
● buildings	20 years

Shares in subsidiaries and affiliates

Shares in subsidiaries and affiliates are stated at historical cost or contribution value.

Disposals of these shares are measured on the basis of cost price, and capital gains or losses are calculated using the carrying amount of the shares sold.

At each year-end, the Company calculates the value in use of its shares in subsidiaries and affiliates and recognises a provision for impairment if their value in use is lower than their carrying amount. The Company uses one of the following two methods for measuring value in use, depending on the type of business carried out by the subsidiary or affiliate: (i) a financial approach (based on projected cash flows or EBIT multiples), or (ii) a net asset approach (based on the Company's share of the equity of the subsidiary or affiliate).

Main sources of estimation uncertainty

The preparation of financial statements involves the use of estimates and assumptions that may affect the carrying amounts of certain items in the balance sheet and/or income statement as well as the disclosures in the notes.

Assystem regularly reviews these estimates and assumptions and adjusts them where necessary to take into account past experience and other factors believed to be reasonable in light of the prevailing economic conditions.

As the estimates, assumptions and judgements applied are based on the information available and circumstances existing on the date when the financial statements were prepared, they may not reflect actual future events.

The main estimates made concern provisions for contingencies and charges, and the assumptions applied mostly relate to the preparation of business plans used for assessing the value of shares in subsidiaries and affiliates.

Transaction costs on acquisitions of shares in subsidiaries and affiliates

These costs are expensed as incurred.

For tax purposes, they are added back in the year in which the shares are acquired and then deducted over a period of five years as from the acquisition date.

Other long-term investments

Other long-term investments are recognised at their nominal value.

Receivables

Receivables and payables are stated at nominal value. Provisions are recorded to cover any risk of non-recovery of receivables.

The majority of the receivables recognised by the Company correspond to amounts due from related companies

Debt issuance costs

Debt issuance costs are fully expensed in the year in which they are incurred.

Marketable securities

Marketable securities are stated at the lower of cost (excluding incidental expenses) and fair value.

Foreign currency transactions

Income and expenses denominated in foreign currency are translated into euros using the transaction-date exchange rates. Payables, receivables and cash and cash equivalents denominated in foreign currency are translated using the exchange rates prevailing at the year end. Foreign exchange gains and losses resulting from the translation of these assets and liabilities at year-end exchange rates are recognised in the balance sheet under “Unrealised foreign exchange gains” or “Unrealised foreign exchange losses”. A provision for contingencies is recognised for the full amount of any unrealised foreign exchange losses that are not offset by unrealised foreign exchange gains.

Provisions for contingencies and charges

Provisions for contingencies and charges are recognised in compliance with French GAAP.

Provisions for statutory retirement bonuses

A provision is recognised for the Company’s obligation to pay statutory retirement bonuses, based on employees’ length of service and the probability that they will still be with Assystem when they retire. The amount of the provision is calculated using an actuarial method taking into account assumptions relating to employee turnover, future salary levels and retirement ages.

The main actuarial assumptions used for 2019 were follows:

- discount rate: 1%;
- projected rate of salary increases: 1.80%;
- median employee turnover rate: 10%/15%;
- mortality table: INSEE 2018

Provisions for risks relating to subsidiaries

A provision is recognised for subsidiaries in relation to which the Company is exposed to a risk.

Hedging transactions

As the Company’s acquisition in 2016 of Envy (a Turkish company) was carried out in foreign currency, it took out a swap to hedge the foreign exchange rate risk.

The amount recognised in the balance sheet in relation to gains on derivatives is €1,201 thousand.

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NOTE 3 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

3.1 Movements in the gross value of fixed assets

In thousands of euros	Gross value at 1 January	Increases	Decreases	Gross value at 31 December
Intangible assets	758	179	72	865
Property. plant and equipment	4,359	12	1,619	2,752
Long-term investments	529,738	38,467	9,634	558,571
Total	**534,855**	**38,658**	**11,325**	**562,188**

At 31 December 2019, intangible assets broke down as €850 thousand in software and €15 thousand corresponding to a fully-amortised patent.

Property, plant and equipment broke down as €2,004 thousand in buildings, fixtures and fittings; €532 thousand in office furniture and equipment; and €216 thousand in works of art.

Year-on-year changes in long-term investments, as set out in Note 3.2 below, primarily relate to the acquisitions of shares in subsidiaries and affiliates referred to in Note 1 above, as well as new loans granted to subsidiaries, and treasury share transactions.

3.2 Movements in long-term investments

In thousands of euros	Gross value at 1 January	Increases	Decreases	Gross value at 31 December
Shares in subsidiaries and affiliates[1]	404,257	21,954	1,939	424,272
Loans to subsidiaries and affiliates[2]	12,715	845	610	12,950
Deposits and guarantees	11	-	-	11
Convertible bonds (including accrued interest)	102,244	13,291	4,151	111,384
Treasury shares	10,511	2,377	2,934	9,954
Total	**529,738**	**38,467**	**9,634**	**558,571**

(1) Increases in the gross value of shares in subsidiaries and affiliates reflect:
- *the acquisition of ASCO shares (€7 million);*
- *additional consideration paid for Framatome shares (€12,470 thousand);*
- *the acquisition of Bâtir Conseils shares (€1,486 thousand);*
- *the acquisition of Assystem Care Holding shares (€998 thousand).*

The amount recorded under decreases in the gross value of shares in subsidiaries and affiliates reflects the derecognition of Assystem Italia shares.

(2) The Company granted an aggregate €845 thousand in loans to its subsidiaries in 2019.
Repayments of loans to subsidiaries and affiliates totalled €610 thousand in 2019.
The movements presented in the table above are based on the exchange rates prevailing on the recognition date for all of the loans. Currency translation differences related to loans to subsidiaries and affiliates corresponded to an aggregate €207 thousand unrealised foreign exchange gain.

The table below shows a summary of movements in treasury shares during 2019:

In thousands of euros	**Number of shares**	**Book value**
Number of treasury shares at 31 December 2018	667,336	15,290
Purchases (liquidity contract)	58,575	1,824
Purchases (mandate to purchase Assystem SA shares)	12,838	368
Sales (liquidity contract)	(67,109)	(1,823)
Deliveries of free shares	(1,000)	(25)
Number of treasury shares at 31 December 2019[1]	670,640	15,634

(1) Treasury shares are recognised in the balance sheet under "Long-term investments" (€9,954 thousand) and "Marketable securities" (€5,680 thousand).

3.3 Movements in depreciation and amortisation

In thousands of euros	Amount at 1 January	Increases	Decreases	Amount at 31 December
Amortisation				
Other intangible assets	720	11		731
Sub-total	720	11		731
Depreciation				
Buildings on own land	1,884	-	-	1,884
Other buildings, fixtures and fittings	444	68	510	2
General fixtures	781	317	987	111
Office equipment, furniture and IT	546	58	117	487
Sub-total	3,655	443	1,614	2,484
Total	**4,375**	**454**	**1,614**	**3,215**

NOTE 4 LIST OF SUBSIDIARIES AND AFFILIATES

Subsidiaries and affiliates *(In thousands of euros)*	Share capital	Other equity (including profit/(loss) for 2019)	% ownership interest	Gross book value of shares held	Net book value of shares held	Loans and advances granted (excl. tax consolidation and intra-group current and term accounts)	Deposits, guarantees and endorse-ments given	2019 net revenue	2019 profit/(loss)	Dividends received
Eurosyn	40	1,696	51.76%	-	-	-	-	7,471	1,093	702
ASG	76	228	100.00%	432	229	-	-	-	(21)	-
Assystem Engineering and Operation Services	3,242	81,449	99.23%	97,058	97,058	11,185	-	277,376	17,177	-
SCI du Pont Noir	322	260	99.99%	1,065	1,065	-	-	115	(18)	-
Assystem Care Belgium	600	227	0.30%	27	27	-	-	9,583	(375)	-
MPH Global Services	15,805	14,985	100.00%	32,471	15,800	1,067	-	9,132	596	-
ASM Technologies	572	313	99.99%	787	-	-	-	-	(45)	-
Assystem Australia	0	(447)	100.00%	-	-	380	-	-	(25)	-
Eradma	ND	ND	4.04%	120	-	-	-	ND	ND	-
Assystem Solutions DMCC	24	(583)	100.00%	20	-	1,409	-	-	99	-
Assystem Investissements	5	28	100.00%	15	-	-	-	-	(6)	-
Envy	258	2,376	51.00%	14,018	8,700	-	-	7,873	1,313	1,601
Bâtir Conseils	662	14,702	6.11%	1,486	1,486	-	-	-	(4)	-
Expleo Group	242,398	262,242	38.16%	92,500	92,500	-	-	14,882	11,342	-
Assystem Energy Infrastructure Ltd UK	5,971	8,672	100.00%	5,514	5,514	4,610	-	28,595	365	-
Assystem Care Holding	21,385	23,927	100.00%	35,560	35,560	-	-	-	2,384	1,300
Assystem Conseils	3	(10)	100.00%	3	-	13	-	-	(5)	-
Framatome	ND	ND	5.00%	136,196	136,196	-	-	ND	ND	2,356
ASCO	69	26	100.00%	7,000	7,000	603	-	19,370	(1,500)	-
				424,271	**401,134**	**19,267**	-	-		**5,959**

Assystem has set aside provisions for impairment in value against the shares held in certain subsidiaries following impairment tests carried out at 31 December 2019 in accordance with the accounting policies described above.

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NOTE 5 PROVISIONS

In thousands of euros	Amount at 1 January	Increases (additions)	Decreases (reversals)	Amount at 31 December
Provisions for foreign exchange losses	2	2	2	2
Other provisions for contingencies and charges[(1)]	21,627	1,541	849	22,319
Total provisions for contingencies and charges	**21,629**	**1,543**	**851**	**22,321**
Provisions for impairment in value of intangible assets	28		28	
Provisions for impairment in value of property, plant and equipment	174			174
Provisions for shares in subsidiaries and affiliates[(2)]	18,376	6,700	1,939	23,137
Provisions for loans				-
Provisions for treasury shares				
Sub-total: Provisions for fixed assets	18,578	6,700	1,967	23,311
Provisions for impairment in value of trade receivables				-
Provisions for impairment in value of intra-group receivables[(3)]	1,026	35		1,061
Provisions for impairment in value of sundry debtors				-
Sub-total: Provisions for current assets	1,026	35		1,061
Total provisions for impairment in value	**19,604**	**6,735**	**1,967**	**24,372**
Total provisions	**41,233**	**8,278**	**2,818**	**46,693**

(1) Additions to and reversals of provisions for contingencies and charges in 2019 break down as follows:
- *an additional €1,186 thousand provision for free share/performance share plans for which the related expense will be rebilled to the Group subsidiaries whose employees are beneficiaries of the plans concerned;*
- *an additional €326 thousand provision for tax risks, corresponding to potential late payment penalties following a tax reassessment;*
- *a €26 thousand provision for statutory retirement bonuses for employees;*
- *a €3 thousand provision for free shares/performance shares granted to employees of Assystem SA;*
- *a €358 thousand reversal of the provisions set aside in 2016 and 2018 for costs related to free share plans;*
- *a €312 thousand reversal of the provision set aside for costs related to a tax dispute;*
- *a €179 thousand reversal of the provision for subsidiary-related risks concerning Assystem Italia.*

(2) The main additions to and reversals of provisions for shares in subsidiaries and affiliates concerned the following companies:
- *MPH Global Services SAS: €6,700 thousand addition.*
  This provision has been recognised to reflect the revised revenue and earnings forecasts of the Staffing division, as MPH Global Services SAS is the division's holding company.
- *Assystem Italia: €1,939 thousand provision reversal.*

(3) The €35 thousand increase in this item in 2019 breaks down as €22 thousand for Assystem Australia and €13 thousand for Assystem Conseils.

NOTE 6 RECEIVABLES

In thousands of euros	Gross amount	Due within one year	Due beyond one year
Receivables recognised as fixed assets			
Expleo Group convertible bonds (including accrued coupons)	111,384	-	111,384
Loans	12,950	-	12,950
Other long-term investments	11	-	11
Treasury shares[(1)]	9,954	9,954	-
Sub-total	134,299	9,954	124,345
Operating receivables			
Doubtful or disputed receivables	-	-	-
Other trade receivables	3,380	3,380	-
Prepaid and recoverable payroll taxes	1,151	1,151	-
Prepayments to suppliers	-	-	-
Prepaid and recoverable income tax	13,211	6,523	6,688
Prepaid and recoverable VAT	457	457	-
Sundry debtors[(2)]	8,383	8,383	-
Sub-total	26,582	19,894	6,688
Intra-group receivables	11,451	11,451	-
Prepaid expenses	344	344	-
Total	**172,676**	**41,643**	**131,033**

(1) Representing 368,675 Assystem SA shares.
(2) Including €5,680 thousand in accrued income related to the free share/performance share plans set up for employees of Group subsidiaries.

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NOTE 7 ACCRUED INCOME

- Accrued trade receivables: €2,835 thousand
- Tax receivables: €367 thousand
- Employee-related receivables: €1,191 thousand
- Sundry debtors: €5,849 thousand

NOTE 8 BREAKDOWN OF MARKETABLE SECURITIES

In thousands of euros	At 1 January	Purchases	Sales	At 31 December
Treasury shares[(1)]	4,778	1,186	284	5,680
Total	**4,778**	**1,186**	**284**	**5,680**

(1) Corresponding to 301,965 Assystem S.A. shares valued at their purchase price and held for allocation under free share/performance share plans.

NOTE 9 PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses and deferred income only relate to operating activities.

NOTE 10 SHARE CAPITAL

The Company's share capital totalled €15,668,216 at 31 December 2019, made up of shares with a par value of €1 each.

	Number of shares
1 - Shares outstanding at beginning of year	15,668,216
2 - New shares issued during the year	-
3 - Shares cancelled during the year	-
4 - Shares outstanding at year-end	15,668,216

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	2019	2018
Amount at beginning of year	439,075	433,427
Profit for the period	6,751	20,728
Dividend payouts/contribution premium repayments	(15,004)	(15,080)
Changes in capital		
• capital increase	-	-
• capital reduction	-	-
Changes in share premium account, reserves, retained earnings and untaxed provisions		
• increase	20,731	387,997
• decrease	(20,731)	(387,997)
Amount at year-end[1]	**430,822**	**439,075**

(1) For 2019, including €406,714 thousand in retained earnings and other reserves, i.e., 26 times higher than the purchase cost of treasury shares owned.

NOTE 11 OTHER DISCLOSURES

At 31 December 2019, all of the Company's potentially dilutive instruments corresponded to the 302,715 shares not yet delivered under outstanding free share/performance share plans.

NOTE 12 LIABILITIES

In thousands of euros	Gross amount	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bank borrowings	77,045	-	77,045	-
Deposits and guarantees received	31	-	31	-
Intra-group financial liabilities	44,076	44,076	-	-
Trade payables	3,568	3,568	-	-
Employee-related liabilities	1,020	1,020	-	-
Accrued payroll taxes	1,478	1,478	-	-
Accrued income taxes	379	379	-	-
Other accrued taxes	78	78	-	-
Due to suppliers of fixed assets	100	100	-	-
Other payables	4,345	4,345	-	-
Total liabilities	**132,120**	**55,044**	**77,076**	**-**

In thousands of euros	Beginning of year	Increases	Decreases	Year-end
Bank borrowings				
Investment loan and RCF	60,000	17,000	-	77,000
Bank overdrafts	9	5	9	5
Accrued interest	17	40	17	40
Treasury instruments	103	-	103	-
Total bank borrowings	**60,129**	**17,045**	**129**	**77,045**
Other borrowings and financial liabilities				
Deposits and guarantees received	31	-	-	31
Current accounts with subsidiaries	34,650	9,426	-	44,076
Total other borrowings and financial liabilities	**34,681**	**9,426**	**-**	**44,107**

Debt-related income and expenses	Expenses	Income
Interest on borrowings	(786)	-
Income and expenses related to Group cash management[1]	(67)	324

(1) Financial income and expenses relating to interest on current accounts with subsidiaries and intra-group cash pooling.

NOTE 13 DEFERRED CHARGES

- Accrued trade payables: €2,800 thousand
- Accrued taxes and payroll costs: €2,704 thousand
- Accrued interest on borrowings and financial liabilities: €40 thousand

NOTE 14 OFF-BALANCE SHEET COMMITMENTS

Commitments given *(in thousands of euros)*	Amount
Sureties and guarantees	19,628
Commitments received	**Amount**
Unused revolving credit facility	103,000

LEASE COMMITMENTS

		Payments due by period		
Obligations *(in thousands of euros)*	**Total**	**Due in less than 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**
Operating leases				
- vehicles	141	74	67	-
- premises	2,636	217	1,551	868
Total	**2,777**	**291**	**1,618**	**868**

Derivative financial instruments

The Company uses currency hedges (mainly in the form of forward sales or purchases) in order to safeguard its operating margins on major contracts denominated in foreign currency. It also uses currency swaps to hedge significant intra-group financing in foreign currency.

The accounting principles applicable to forward financial instruments and hedging transactions were changed pursuant to regulation no. 2015-05 issued by the French Accounting Board on 2 July 2015, which Assystem has applied since 31 December 2016.

The re-measurement in the balance sheet of all of Assystem's forward sale hedges at end-2019 resulted in the recognition of a €107 thousand asset under treasury instruments.

NOTE 15 REVENUE

Revenue comprises income received for administrative, management and specialist services, which are mainly provided to Assystem Group subsidiaries. It would not be relevant to provide a breakdown of revenue by business segment or by geographic region.

NOTE 16 AVERAGE HEADCOUNT

The Company's average headcount corresponded to eight employees in 2019.

The executive who receives compensation from the Company does not have an employment contract and only receives compensation in his capacity as a corporate officer.

NOTE 17 EXPENSE TRANSFERS

Benefits in kind: €38 thousand

NOTE 18 FINANCIAL INCOME AND EXPENSES

In thousands of euros	2019
Financial income from investments in subsidiaries and affiliates	5,959
Dividends received	5,959
Income from other securities and receivables recognised as fixed assets	208
Loan interest	208
Other interest income	10,452
Income related to Group cash management	324
Other financial income(1)	10,128
Provision reversals and expense transfers	673
Reversal of provisions for foreign exchange losses	2
Reversal of provision for long-term investments(2)	671
Positive foreign exchange differences	981
Foreign exchange gains	981
Total financial income	**18,273**
Amortisation and provisions recognised under financial expenses	(7,926)
Additions to provisions for contingencies and charges relating to financial assets(2)	(7,924)
Additions to provisions for foreign exchange losses	(2)
Interest expense	(1,659)
Interest on borrowings	(786)
Expenses related to Group cash management	(67)
Other financial expenses	(806)
Negative foreign exchange differences	(957)
Foreign exchange losses	(957)
Total financial expenses	**(10,542)**
Net financial income	**7,731**

(1) Including €9,140 thousand in interest income on convertible bonds.
(2) Including:
- *reversals of provisions related to the following, recorded in financial income: (i) free share plans (€359 thousand), (ii) a tax dispute (€133 thousand), and (iii) subsidiary-related risks (€179 thousand);*
- *additions to provisions related to the following, recorded in financial expenses: (i) impairment in value of shares in subsidiaries and affiliates (€6,700 thousand), (ii) impairment in value of subsidiaries' current accounts with Assystem SA (€35 thousand), and (iii) free share plans (€1,189 thousand).*

NOTE 19 NON-RECURRING INCOME AND EXPENSES

In thousands of euros	2019
Non-recurring income from capital transactions	601
Proceeds from disposals of property, plant and equipment	-
Proceeds from disposals of long-term investments(1)	164
Gains on sales of treasury shares	437
Provision reversals and expense transfers	2,117
Total non-recurring income	**2,718**
Non-recurring expenses on management transactions	(32)
Net value of divested intangible assets	(27)
Net value of divested property, plant and equipment	(5)
Non-recurring expenses on capital transactions	(2,105)
Net value of divested long-term investments	(1,939)
Losses on sales of treasury shares	(166)
Exceptional additions to depreciation, amortisation and provisions(2)	(724)
Addition to provisions for contingencies	(724)
Total non-recurring expenses	**(2,861)**
Net non-recurring expense	**(143)**

(1) Corresponding to the €164 thousand in net proceeds from the sale of Eurosyn shares.
(2) Breaking down as (i) €326 thousand added to the provision for the tax dispute described in Note 1 and (ii) €398 thousand in exceptional depreciation recognised when the Company returned its former headquarters premises.

NOTE 20 INCOME TAX

Analysis of income tax

The breakdown of income tax between the portion related to profit from recurring operations and the portion related to non-recurring items was determined by analysing the nature of the underlying income and expenses. The effect of tax consolidation has been included in the portion related to non-recurring items.

In thousands of euros	Before tax	Tax	After tax
Profit from recurring operations	6,179	616	6,795
Net non-recurring expense	(143)	99	(44)
Profit for the period	6,036	715	6,751

Tax consolidation

Assystem SA is the head of a tax group that includes the following entities: Assystem Engineering and Operation Services, SCI Pont Noir, ASG, Insiema, Assystem Conseils, Assystem Investissements, Assystem Care France, MPH International and MPH Global Services.

Under the tax consolidation agreement, the methods for calculating the income tax due by each entity in the tax group are determined based on the applicable tax rules in force at the reporting date and as if each entity were taxed on a stand-alone basis.

Deferred taxes

In thousands of euros **Deferred tax liabilities (calculated at a rate of 32.02%)**	**2019 tax base**	**Amount of tax**
None	-	-
Total	-	-

Deferred tax assets (calculated at a rate of 32.02%)	**2019 tax base**	**Amount of tax**
Provision for retirement benefit obligations	26	(8)
Unrealised foreign exchange gains	-	-
Provisions for impairment in value	175	(56)
Acquisition-related expenses	1,142	(366)
Tax losses	-	-
Other expenses	171	(55)
Total	**1,514**	**(485)**

NOTE 21 RELATED-PARTY TRANSACTIONS AND BALANCES

	Amount concerning	
In thousands of euros	**Related companies**	**Entities in which the Company has an equity interest**
Shares in subsidiaries and affiliates	172,439	228,696
Loans	12,950	-
Other long-term investments	9,965	-
Trade receivables	2,959	49
Intra-group receivables	11,451	-
Convertible bonds	-	111,384
Intra-group payables	(44,076)	-
Trade payables	(1,222)	(4)
Financial income from investments in subsidiaries and affiliates	3,603	2,356
Income from convertible bonds	-	7,904
Other financial income	532	1,236
Financial expenses	(67)	-

Assystem has not identified any other transactions with related parties that were entered into on non-arm's length terms or which materially impact the financial statements.

Consequently, no additional disclosures are required pursuant to Article R. 123-198, para. 11 of the French Commercial Code.

NOTE 22 INFORMATION ON THE CONSOLIDATING ENTITY

Assystem SA is the consolidating parent company of the Assystem Group.

Assystem SA (ISIN: FR0000074148-ASY) is listed on Euronext Paris.

5.4.1 PAYMENT TIMES

In accordance with the provisions of the French Commercial Code, the tables below provide a breakdown of the payment times for trade payables and receivables, showing invoices received and issued but not settled at the reporting date and which are past due.

TRADE PAYABLES:

In thousands of euros	1-30 days	31-60 days	61-90 days	91 days and over	Total
Number of invoices concerned	11	6	5	51	73
Total amount (incl. VAT) of invoices concerned	**77**	**1**	**7**	**48**	**133**
% of total amount of purchases for the year (excl. VAT)	0.8%	0.0%	0.1%	0.6%	1.6%

TRADE RECEIVABLES:

In thousands of euros	1-30 days	31-60 days	61-90 days	91 days and over	Total
Number of invoices concerned	27	4	3	42	76
Total amount (incl. VAT) of invoices concerned	**154**	**72**	**66**	**255**	**547**
% of total amount of revenue for the year (excl. VAT)	1.6%	0.8%	0.7%	2.7%	5.8%

The payment times used to calculate late payment interest correspond to the legally applicable periods.

No invoices related to disputed or unrecognised payables or receivables have been excluded from the above tables.

5.4.2 NON-TAX-DEDUCTIBLE EXPENSES

The aggregate amount of non-tax-deductible expenses as referred to in Article 39-4 of the French Tax Code amounted to €58,800 for 2019, generating income tax of €20,245 (disclosure made in application of Articles 223 quater and quinquies of said Code).

5.4.3 FIVE-YEAR FINANCIAL SUMMARY FOR ASSYSTEM SA

Year	2015	2016	2017	2018	2019
I. Capital at year-end					
Share capital	22,218,216	22,218,216	15,668,216	15,668,216	15,668,216
Number of shares issued	22,218,216	22,218,216	15,668,216	15,668,216	15,668,216
Number of convertible bonds	6,861,795	807,438	None	None	None
II. Results of operations					
Net revenue	11,342,261	11,974,072	10,057,485	6,165,476	9,124,924
Profit/(loss) before tax, depreciation, amortisation and provisions	50,292,852	(6,401,391)	387,980,428	22,463,384	11,912,056
Corporate income tax	5,315,395	7,143,932	(2,115,209)	318,927	714,783
Profit/(loss) after tax, depreciation, amortisation and provisions	93,212,545	(16,350,387)	387,767,535	20,797,944	6,751,478
Dividends paid	16,992,599	21,164,539	15,080,723	15,004,647	*
III. Per share data					
Earnings per share after tax but before depreciation, amortisation and provisions	2.50	0.03	24.63	1.45	0.81
Earnings/(loss) per share after tax, depreciation, amortisation and provisions	4.20	(0.74)	24.75	1.32	0.43
Dividend per share	0.80	1.00	1.00	1.00	1.00*
IV. Employee data					
Number of employees	0	0	0	4	8
Total payroll	1,468,064	685,571	606,598	1,320,554	2,067,114
Social security contributions	578,586	268,782	238,507	529,670	923,236

* *Dividend to be recommended at the next Annual General Meeting.*

5.5 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

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

To the Annual General Meeting of Assystem SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Assystem SA for the year ended 31 December 2019. These financial statements were approved by the board of directors on 9 March 2020 on the basis of the information available at that date in a changing context of the health crisis linked to Covid-19.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for opinion

AUDIT FRAMEWORK

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

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" Section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st January 2019 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics for Statutory Auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as we addressed those risks.

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

VALUATION OF INVESTMENTS IN SUBSIDIARIES AND OTHER NON-CONTROLLING INTERESTS

Notes 3.2, 4 and 5 to the financial statements

Risk	Our response
As at 31 December 2019, the net book value of the investments held in subsidiaries and other non-controlling interests amounted to 401.1 million of euros, accounting for 69% of the Company's balance sheet total. As mentioned in Note 2 "Basis of preparation and summary of significant accounting policies - Shares in subsidiaries and affiliates" to the financial statements, the investments are recorded at cost at the date of acquisition or at their contribution value. At each year-end, the Company estimates the value in use of its investments in order to determine whether the value in use of each investment is lower than its carrying value. An impairment is recognised when the value in use appears to be lower than the carrying value. For the purpose of estimating the value in use, and depending on the nature of the business operated by the investment, the Company uses one of the following methods: an economic approach (based on projected cash flows or on the EBIT multiples method) or a patrimonial approach (based on the percentage held in the investment's net equity). We have considered the valuation of investments in subsidiaries and other non-controlling interests as a key audit matter, given their materiality to the Company's balance sheet, the high degree of estimation and judgement required from management in choosing the calculation method for the value in use and the sensitivity, depending on the calculation method adopted, of this value to changes in forecast assumptions.	For each investment, we have highlighted the method used by the Company for calculating the value in use of the investment and have assessed whether the method used was appropriate with regards to the economic characteristics of the investment. When the approach based on projected cash flows was used, we have: • assessed the consistency of the budgetary data used with those presented to the Audit Committee and approved by the Board of Directors, and the consistency of forecast data with budgetary assumptions; • checked the consistency of the assumptions made for the long term growth rate with the economic environment prevailing as at the financial statements closing date; • checked, with the assistance of our evaluation specialists, the reasonableness of the assumptions used in determining the discounting rate; • compared the forecasts used in the past with the actual performance shown with a view to assessing whether past objectives were met or not; • checked that the value resulting from the cash flow forecasts was adjusted by the amount of indebtedness of the investment concerned. When the approach based on EBIT multiples was used, we have: • assessed the consistency of the aggregate used with the financial statements and the rationale behind the multiples used in comparison with those applied in similar business sectors; • checked that the value resulting from the EBIT multiples approach was adjusted by the amount of indebtedness of the investment concerned. When a patrimonial approach was implemented, we have checked that the net equity data used were in line with the financial statements of the investments concerned, either audited or subject to agreed-upon procedures, and that the restatements made to the net equity, if any, were supported by a relevant documentation. Should have these investments been made close to the year end date, we have examined the available documentation used in the determination of the shares purchase price. We have also assessed the appropriateness of the information disclosed in the notes 3.2 "Movements in long-term investments", 4 "List of subsidiaries and affiliates" and 5 "Provisions" to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors approved on 9 March 2020 and in the other documents with respect to the financial position and the financial statements provided to the Shareholders. With regard to the events which occurred and the facts known after the date the financial statements were approved by the Board of Directors relating to the impact of the crisis linked to Covid-19, the management indicated to us that they will be the subject of a communication to the Annual General Meeting called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D. 441-4 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where appropriate, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of Assystem SA by the Annual General Meeting held on 26 August 1999 for Deloitte & Associés and on 30 April 2009 for KPMG.

As at 31 December 2019, Deloitte & Associés and KPMG were in the twenty-first year and the eleventh year of total uninterrupted engagement respectively.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal controls regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be brought to bear on our independence, and the related safeguards.

Paris la Défense, 31 March 2020

The Statutory Auditors

French original jointly signed by
Eric ROPERT and Laurent GENIN, KPMG audit partners
and Albert AÏDAN, Deloitte & Associés audit partner

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INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

6.1 GENERAL INFORMATION ABOUT THE COMPANY

Company name and address

Company name: Assystem

Registered office: Tour Égée, 9-11 allée de l'Arche, La Défense, 92400 Courbevoie, France

Telephone: +33 (0) 1 41 25 29 00

www.assystem.com

All of Assystem's corporate documents may be consulted free of charge at the Company's registered office.

Statutory Auditors

The Company has two Statutory Auditors appointed in compliance with Article L. 225-228 of the French Commercial Code. Further information about the Statutory Auditors is provided in Section 6.3 below.

Date of incorporation and term

Date of incorporation: 26 April 1997.

Expiry date of Company's term: 26 May 2096.

Registration particulars

The Company is registered with the Nanterre Trade and Companies Registry under number 412,076,937. Its French business identifier (NAF) Code is 7010 Z (head office activities).

Legal form and applicable legislation

At the Annual General Meeting held on 22 May 2014, the shareholders modified the Company's administration and management structure.

Originally incorporated in the form of a société anonyme (public limited company) with a Management Board and a Supervisory Board, as from 22 May 2014 Assystem adopted the form of a société anonyme with a Board of Directors, governed by the provisions of Book II of the French Commercial Code and by the Company's Articles of Association.

Corporate purpose

As set out in Article 2 of its Articles of Association, the Company's corporate purpose can be summarised as follows:

- acquiring equity interests – by way of subscription, contribution, purchase or otherwise – and exercising any and all associated rights, in any enterprise operating in a technological, technical, IT, electronic or mechanical field, and more specifically:
  - consultancy, research and engineering,
  - training, support and maintenance,
  - systems and network operation and facilities management;
- developing and distributing products, equipment, hardware and software;
- effectively leading the Group and determining its overall strategy;
- participating in any operation related to its corporate purpose, by creating new companies, subscribing for or purchasing shares, taking part in mergers or joint ventures, or by any other means;
- carrying out any financial, commercial, industrial or civil business activities or any transactions involving movable or immovable assets, which may be directly or indirectly associated with the Company's corporate purpose or which may be likely to further its development, on the Company's own account or on behalf of third parties, or through any form of ownership interest whatsoever.

The Company's role with regard to its subsidiaries

Assystem SA is a holding company whose assets are essentially composed of equity securities. The Group's operational assets are held by the Company's subsidiaries.

Assystem SA directly or indirectly provides services for companies in the Group, notably in the areas of finance, accounting and general and administrative management.

A list of the main consolidated companies as at 31 December 2019 is set out in Chapter 5 of this Universal Registration Document (Note 3.1 to the consolidated financial statements) and a simplified organisational chart of the Assystem Group is provided in Chapter 1.

The financing for Group subsidiaries is carried out in a centralised way by the Company, which enables them to benefit from the favourable market conditions obtained by Assystem SA from lenders. This also allows Assystem SA to offset the lender and borrower positions of its various entities.

Financial year

The Company has a 12-month financial year, commencing on 1 January and ending on 31 December.

Profit distribution

Profit or loss for the year represents the difference between total income and total expenses, including charges to and reversals from depreciation, amortisation and provisions.

Five percent of profit for the year, less any losses carried forward from previous years, is transferred to the legal reserve, until such time as that reserve represents one tenth of the Company's share capital. Further transfers are made on the same basis if the legal reserve falls to below one tenth of the share capital.

Profit available for distribution consists of profit for the year plus retained earnings from previous years, less any losses brought forward from previous years and any amounts transferred to reserves in accordance with the law or the Company's Articles of Association. On the recommendation of the Board of Directors, shareholders at the Annual General Meeting determine the portion of profit to be allocated to shareholders in the form of a dividend, and the portion to be allocated to general or special reserves, with the remaining balance being allocated to retained earnings.

However, except in the case of a capital reduction, no dividend may be paid to shareholders if the Company's equity represents – or would represent after the planned dividend payout – less than the sum of its share capital plus any reserves which, under the applicable law or the Company's Articles of Association, are not available for distribution.

In addition, the shareholders may resolve to distribute amounts taken from discretionary reserves, either to pay all or part of an ordinary dividend or as a special dividend. If amounts are taken from reserves to pay a dividend, the related resolution must stipulate the reserve accounts from which the dividend is to be deducted.

However, dividends are deducted in priority from distributable profit for the year.

The revaluation reserve may not be distributed, but all or part of it may be incorporated into the Company's capital.

Timeframe for claiming dividends

Any dividends not claimed within five years of the date of their payment revert to the French State.

Registrar and paying agent

The Company's registrar and paying agent is Société Générale Securities Services, 32 rue du Champ de Tir - CS 30812 -44308 Nantes Cedex 3, France.

Stock exchange

Assystem SA shares are listed on compartment B of the Euronext Paris market under ISIN FR 0000074148 and are included in the CAC All-Tradable index and the MID & SMALL 190 index. They are eligible for equity savings schemes (PEA) and the deferred settlement service (SRD).

LEI Code (Legal Entity Identifier)

Assystem SA's LEI Code is 9695008GTTDJGF00CT88.

General Meetings

The specific procedures relating to shareholder participation in General Meetings are described in Article 19 of the Company's Articles of Association.

General Meetings are held at the Company's registered office or any other location specified in the notice of meeting.

The right to participate in General Meetings is governed by the applicable law and regulations. In particular, in order for a shareholder to participate in a General Meeting their shares must be recorded in their own name or in the name of the bank or broker that manages the shareholder's securities account by 00:00 (Paris time) on the second business day preceding the Meeting. If the shares are held in registered form, they must be recorded in the share register kept by the Company (or its agent) and if they are in bearer form, they must be recorded in a bearer share account kept by an accredited intermediary.

If a shareholder cannot personally attend a General Meeting, he or she may select one of the following three options, each subject to the conditions stipulated in the applicable law and regulations:

- appoint a named proxy under the conditions authorised by the applicable law and regulations;
- vote remotely; or
- send a proxy to the Company without indicating a specific named proxy.

Subject to the conditions stipulated by the applicable law and regulations, the Board of Directors may decide that shareholders may participate and vote at General Meetings by videoconference or by other means of telecommunication that enable them to be identified. If the Board of Directors decides to use this option for a General Meeting, the decision must be stated in the preliminary and/or final notice of the meeting concerned.

Shareholders taking part in General Meetings by videoconference or by any other means of telecommunication as indicated above, depending on the choice of the Board of Directors, are considered to be in attendance for the purposes of quorum and majority calculations.

General Meetings are chaired by the Chairman of the Board of Directors, or in his or her absence, by the CEO, by a Deputy CEO if he or she is a director, or by a director specifically appointed for this purpose by the Board. Failing this, the General Meeting elects its own Chairman.

The role of scrutineers at a General Meeting is carried out by the two shareholders present at the meeting who hold or represent the largest number of voting rights and who agree to take on the role. The meeting officers thus appointed then appoint a Secretary, who need not be a shareholder.

An attendance register containing all of the information provided for by law is kept for each General Meeting.

An Ordinary General Meeting held on first call is only validly constituted if the shareholders present or represented hold at least one fifth of the shares with voting rights. An Ordinary General Meeting held on second call is validly constituted irrespective of the number of shareholders present or represented.

Resolutions in Ordinary General Meetings are adopted by a straight majority vote of the shareholders present or represented.

An Extraordinary General Meeting held on first call is only validly constituted if the shareholders present or represented hold at least one quarter of the shares with voting rights. An Extraordinary General Meeting held on second call is only validly constituted if the shareholders present or represented hold at least one fifth of the shares with voting rights.

Resolutions in Extraordinary General Meetings are adopted by a two-thirds majority vote of the shareholders present or represented.

Ordinary and Extraordinary General Meetings exercise their respective powers in accordance with the conditions stipulated by law.

Voting rights

The Company's Articles of Association do not provide for any limitations on voting rights. In accordance with Article L. 225-110 of the French Commercial Code, if Assystem shares are held by a legal owner ("nu-propriétaire") and a beneficial owner ("usufruitier"), the corresponding voting rights are exercised by the beneficial owner in Ordinary General Meetings and the legal owner in Extraordinary General Meetings.

Double voting rights

All fully-paid shares registered in the name of the same holder for at least two years carry double voting rights.

In addition, in the event of a capital increase carried out by capitalising reserves, profit or share premiums, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue.

Double voting rights may be cancelled if the shares concerned are converted to bearer shares or transferred to another shareholder, except if registered shares are transferred to another registered shareholder in the case of inheritance or inter vivos donations to a spouse or other eligible family member (as provided for in Article L. 225-124 of the French Commercial Code).

Disclosure thresholds stipulated in the Company's Articles of Association

In addition to the applicable statutory disclosure obligations, any physical or legal person, whether acting alone or in concert (within the meaning of Article L. 223-10 of the French Commercial Code), that comes to hold a number of shares representing 2% or more of the Company's share capital or voting rights or a multiple thereof, is required to inform the Company of the total number of shares and voting rights that they hold, by registered mail with recorded delivery, within four trading days from the crossing of the threshold.

The same disclosure formalities must also be followed each time a shareholder's interest is reduced to below any 2% threshold.

In the event of a failure to comply with these disclosure rules, at the request of one or several shareholders with combined holdings representing at least 5% of the Company's share capital or voting rights (with said request recorded in the minutes of the General Meeting at which the request is made), the shares in excess of the undisclosed threshold will be stripped of voting rights as provided for in Article L. 233-14 of the French Commercial Code.

These provisions apply in addition to the statutory disclosure threshold provisions set out in Article L. 233-7 of the French Commercial Code.

No other provision in the Articles of Association affects shareholders' rights, which can only be amended in accordance with the conditions stipulated by law.

Shareholder identification

In compliance with Article L. 228-2 of the French Commercial Code, the Company may, at any time, ask the central securities clearing body, or an intermediary as referred to in Article L. 211-3 of the French Monetary and Financial Code, to provide it with certain information, including the identity of holders of securities carrying immediate or future voting rights at General Meetings as well as the number of securities held by each one, and, where appropriate, the restrictions applicable to any such securities.

Dependency

Assystem's business does not currently depend on any patents or production processes belonging to third parties or on any specific procurement contracts.

Existence of agreements whose implementation could lead to a change in control of the Company or could have the effect of delaying, postponing or preventing a change in control

To the best of the Company's knowledge, no agreements currently exist whose implementation could result in a change in control.

In addition, there are currently no provisions in the Company's Memorandum or Articles of Association, or in any charters or bylaws, that would have the effect of delaying, postponing or preventing a change in control.

Agreements entered into by the Company which would be amended or terminated in the event of a change in control of the Company

At 31 December 2019, the Group had access to a €120 million revolving credit facility with a sufficient maturity (28 September 2024) to finance its operating requirements. A total of €17 million had been drawn down on this facility at that date.

In early 2018 the Group took out a €30 million investment loan in the form of a bullet loan with a final maturity date of 28 September 2024. The amount of the loan was increased to €60 million in June 2019.

The related financing agreements provide that the banking pool can demand, at any time, full early repayment of any outstanding amounts in the event of a change in control of the Company. For this purpose, a change in control is defined as Dominique Louis or his heirs and successors ceasing to directly or indirectly control the Company. Dominique Louis or his heirs and successors are deemed to have control if he or they directly or indirectly own at least 40% of the Company's capital and voting rights and no other group of individual or corporate shareholders acting in concert own over 34% of the capital and voting rights.

Measures in place to ensure that control is not abused

The Company is controlled as defined in Article L. 233-3 of the French Commercial Code, as shown in the ownership structure table in Section 6.2.2 below.

The measures put in place by the Company in order to avoid control being exercised in an abusive manner are described in the following Sections of this Universal Registration Document:

- Chapter 2, Section 2.1, concerning internal control and risk management procedures put in place by the Company related to preparing and processing accounting and financial information;
- Chapter 4, Section 4.1, concerning the presence of independent directors on the Board of Directors and Board Committees;
- Chapter 4, Section 4.1: paragraph on "Conflicts of interest".

Factors that could have an impact in the event of a public offer

In accordance with the disclosure requirements of Article L. 225-100-3 of the French Commercial Code, the factors that could have an impact in the event of a public offer for the Company's shares are set out below.

OWNERSHIP STRUCTURE

The Company's ownership structure is shown in the table in Section 6.2.2 below that gives a breakdown of the Company's share capital and voting rights at 31 December 2019.

Section 6.2.2 also includes a list of the notifications received by the Company from shareholders who crossed the applicable disclosure thresholds in 2019 in terms of their holdings of the Company's shares and voting rights.

PROVISIONS IN THE COMPANY'S ARTICLES OF ASSOCIATION CONCERNING RESTRICTIONS ON EXERCISING VOTING RIGHTS AND DOUBLE VOTING RIGHTS

As stated in Section 6.1 above, some of the Company's shares carry double voting rights.

AGREEMENTS ENTERED INTO BY THE COMPANY WHICH WOULD BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY

The Company's financing agreements contain early repayment clauses, whereby the Company may have to repay its borrowings in advance of term if certain events occur, including if there is a change in control of the Company. See above for a description of the change in control clause.

OTHER DISCLOSURES

Amendments to the Company's Articles of Association may be made in accordance with the applicable laws and regulations.

There are no specific agreements in place that provide for a termination benefit to be paid in the event that a director's term of office is terminated.

6.2 INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

6.2.1 ASSYSTEM AND ITS SHAREHOLDERS

2020 FINANCIAL CALENDAR

5 February 2020	After stock market close of trading	2019 revenue release
9 March 2020	After stock market close of trading	2019 annual results release
10 March 2020	8.30 a.m.	Presentation of 2019 annual results
30 April 2020	After stock market close of trading	Q1 2020 revenue release
26 June 2020	9.30 a.m.	Annual General Meeting
30 July 2020	After stock market close of trading	Q2 2020 revenue release
8 September 2020	After stock market close of trading	First-half 2020 results release
9 September 2020	8.30 a.m.	Presentation of first-half 2020 results
27 October 2020	After stock market close of trading	Q3 2020 revenue release

Closed periods

In accordance with the EU Market Abuse Regulation (Regulation (EU) no. 596/2014) and the related position statement (2016-08) issued by the AMF, the Company has defined the periods during which certain persons are prohibited from carrying out transactions in Assystem shares. These periods apply to "insiders", i.e. persons who hold, or are deemed to hold, inside information that may put them at an advantage compared with the general public.

Insiders include all persons who discharge managerial responsibilities (notably executives and senior managers) as well as any other persons who have access to inside information on either a regular or occasional basis.

The closed periods applicable for Assystem – based on the financial calendar set out above – are as follows:

- the 30 calendar days preceding the publication of the Company's annual results press release;
- the 30 calendar days preceding the publication of the Company's half-yearly results press release;
- the 15 calendar days preceding the publication of the Company's quarterly, half-yearly and annual revenue press releases.

For 2020, these periods correspond to:

- 21 January to 5 February (inclusive);
- 8 February to 9 March (inclusive);
- 15 April to 30 April (inclusive);
- 15 July to 30 July (inclusive);
- 9 August to 8 September (inclusive);
- 12 October to 27 October (inclusive).

Insiders may only carry out trades in the Company's shares as from the trading session following the publication of the press release concerned and provided that the insider carrying out the trade does not hold any other inside information.

Access to information

All shareholders have access to full, transparent and clear information, which is tailored to their specific needs and provides an objective assessment of Assystem's growth strategy and results. This financial communication policy aims to ensure that all shareholders have information in compliance with usual business practices.

The Company publishes a wide variety of documents, including those issued for regulatory information purposes, covering the Company's business and strategy and financial information. These documents – which include the Universal Registration Document, the half-yearly financial report, quarterly revenue releases, the Company's Articles of Association and the Board of Directors' Rules of Procedure – are available on the Group's website at www.assystem.com, in French and English.

Assystem publishes notifications in the Bulletin des annonces légales obligatoires (BALO) (French legal gazette) and the Journal d'Annonces Légales (JAL), and it issues the periodic and annual information required for listed companies (regulatory information) via GlobeNewswire.

The financial information issued by the Company is supplemented by press releases for the financial community and, more generally, the public, on subjects of significant importance for understanding the Company's strategy. The Company also holds periodic meetings for financial analysts and journalists to explain, in an interactive way, the Group's goals, services and results.

The annual report, presented and filed as a Universal Registration Document with the AMF, as well as the half-yearly financial report, are widely distributed within the financial community.

6.2.2 ASSYSTEM'S SHARE CAPITAL

All of the Company's shares represent share capital.

At 31 December 2019, the Company's share capital amounted to €15,668,216, divided into 15,668,216 shares with a par value of €1 each.

The breakdown of Assystem's share capital and voting rights at 31 December 2019 is shown in the table below, which sets out the number of theoretical voting rights and the number of actual voting rights exercisable at General Meetings excluding shares that do not have voting rights, such as treasury shares.

AT 31 DECEMBER 2019

	Shares	% of share capital	Exercisable voting rights	%	Theoretical voting rights	%
HDL Development	8,953,118	57.14	17,906,236	74.17	17,906,236	72.16
HDL	54,607	0.35	54,607	0.23	54,607	0.22
Free float	5,989,851	38.23	6,182,914	25.61	6,182,914	24.92
Treasury shares	670,640	4.28	-	-	670,640	2.70
Total	**15,668,216**	**100**	**24,143,757**	**100**	**24,814,397**	**100**

A table showing the changes in the Company's share capital over the last three years is provided in Section 6.2.8 below.

At the date this Universal Registration Document was filed, the Company was controlled by HDL Development[(1)], which has been the Company's stable and long-term controlling shareholder since the takeover bid launched in the first quarter of 2014.

The Company's shareholding structure helps guarantee its independence and ensure its sustainability, both in terms of (i) its ability to pursue its business development strategy over the long term, which corresponds to the duration of the business cycles in the markets where it has a distinct competitive edge (particularly the nuclear market), and (ii) its commitment to continue to implement a responsible human resources policy.

At 29 February 2020, HDL Development held 8,953,118 Assystem shares, representing 57.14% of the Company's share capital and 74.17% of its voting rights.

(1) HDL Development is 87.23%-controlled by HDL (51.85% directly and 35.38% through CEFID, H2DA and EEC). In turn, HDL is wholly controlled by Dominique Louis, Chairman & CEO of Assystem, who also directly owns 0.48% of the capital of HDL Development. The remaining 12.29% of HDL's capital is held by managers and former managers of the Group.

Pledged shares of the Company and its subsidiaries at 31 December 2019

Shareholder	Beneficiary	Pledge start date	Pledge expiry date	Conditions for releasing pledge	Number of the Company's shares pledged	% of the Company's capital pledged
HDL Development	LCL	15 November 2019	16 December 2024	Loan repayment	3,192,000*	20.37%

* *Following a €66.5 million medium-term loan granted to HDL Development by a banking pool on 15 November 2019.*

Crossing of disclosure thresholds

The following crossings of disclosure thresholds provided for in the Articles of Association were notified to the Company in 2019:

Shareholder	Date threshold crossed	Above/ below threshold	Threshold crossed	Reference capital	Reference voting rights	Number of shares owned	% capital	% voting rights	Date of notification letter
Norges bank Investment Management	21/06/2019	Above	Threshold of 2% of capital	15,668,216	24,824,129	318,375	2.03%	ND	24 June 2019
HDL	15/11/2019	Above	Threshold of 38% of voting rights	15,668,216	24,815,299		39.64%	51.18%	15 November 2019
Tikehau Capital	15/11/2019	Above	Threshold of 2% of capital and voting rights	15,668,216	24,156,112	575,659	3.67%	2.38%	19 November 2019
Caisse des dépôts et consignations	05/12/2019	Above	Threshold of 2% of capital and voting rights	15,668,216	24,143,757	496,816	3.17%	2.00%	10 December 2019

To the best of the Company's knowledge, at the date this Universal Registration Document was prepared, apart from the Company's controlling shareholder, no shareholder other than Norges Bank Investment Management, Tikehau Capital and Caisse Dépôts et Consignations directly or indirectly held, alone or in concert, more than 2% of the Company's share capital and/or voting rights.

Transactions in the Company's securities carried out by executives (on the basis of disclosures submitted to the AMF by the Company's executives)

Executive	Date	Type of transaction	Unit price *(in €)*	Volume	Total *(in €)*
Stéphane Aubarbier	26/03/2019	Sale	32.00	4,637	148,384.00
Stéphane Aubarbier	27/03/2019	Sale	32.0460	1,970	63,130.62
Stéphane Aubarbier	29/03/2019	Sale	32.3210	2,714	87,719.194
Philippe Chevallier	12/07/2019	Sale	38.00	1,000	38,000

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6.2.3 SHARE PERFORMANCE

Assystem shares are listed on compartment B of the Euronext Paris market of NYSE Euronext.

In 2019, Assystem's share price rose by 21.63%, amounting to €32.90 at the year-end compared with €27.05 at the end of 2018.

Average monthly trading volumes for 2019 were 91,801 shares and €3,002,658.

6.2.3.1 Share price and trading volume (source: Euronext)

Date	High *(in euros)*	Date of High	Low *(in euros)*	Date of Low	Closing price *(in euros)*	Trading volume *(in no. of shares)*	Trading volume *(in euros)*
January 2019	29.80	16/01/2019	25.75	08/01/2019	28.40	88,867	2,447,086
February 2019	32.00	25/02/2019	28.20	04/02/2019	31.85	104,416	3,166,365
March 2019	33.10	29/03/2019	30.70	15/03/2019	32.50	117,316	3,720,384
April 2019	35.35	15/04/2019	32.50	01/04/2019	35.10	102,567	3,529,798
May 2019	35.70	02/05/2019	31.80	29/05/2019	32.30	43,199	1,449,195
June 2019	35.70	28/06/2019	31.90	03/06/2019	35.70	68,078	2,309,927
July 2019	40.55	19/07/2019	35.80	01/07/2019	38.30	79,377	3,048,110
August 2019	39.00	20/08/2019	35.95	07/08/2019	38.15	37,412	1,413,108
September 2019	39.90	06/09/2019	35.40	27/09/2019	35.50	50,927	1,944,042
October 2019	35.80	02/10/2019	33.00	28/10/2019	33.15	47,819	1,645,745
November 2019	34.50	07/11/2019	29.75	22/11/2019	31.35	276,404	8,710,294
December 2019	32.90	31/12/2019	29.10	04/12/2019	32.30	85,237	2,647,843

Source: Euronext – This data is provided for information purposes only.
ISIN: FR0000074148.
Share included in the CAC All-Tradable index.

6.2.3.2 Market data

	31/12/2018	31/12/2019
Market capitalisation at year-end	€424m	€501m
Share price		
• High	€33.05	€40.55
• Low	€24.50	€25.75
Share price at year-end	€27.05	€32.30

6.2.3.3 Dividends

Year	Number of eligible shares	Dividend paid for the year
2017	15,143,811	€1.00 per share
2018	15,002,917	€1.00 per share
2019	14,960,460*	€1.00 per share

* *Estimated number of eligible shares based on the number of shares making up the Company's capital at 29 February 2020 less the number of treasury shares held at that date, and subject to shareholders' approval at the Annual General Meeting of 26 June 2020.*

In accordance with Article 2224 of the French Civil Code, any dividends not claimed within five years of the date of their payment revert to the French State.

At the Annual General Meeting of 16 May 2019, the shareholders approved the payment of a dividend of €1 for each share making up the Company's share capital (excluding treasury shares).

At the next Annual General Meeting to be held on 26 June 2020, a dividend payment of €1 per share will be proposed.

6.2.3.4 Dividend policy

Assystem's dividend policy is determined by its corporate governance bodies, based on the Group's dividend payment capacity, financial position and financing requirements.

Dividend payouts may change compared with previously paid amounts and will always remain in line with the Group's business plan.

6.2.3.5 Per-share data

In euros	31/12/2017	31/12/2018	31/12/2019
Diluted earnings per share	19.09	1.30	1.76

The calculation of the diluted average weighted number of shares used to determine diluted earnings per share is explained in Note 7.3 to the consolidated financial statements (in Chapter 5 of this Universal Registration Document).

6.2.4 ADDITIONAL INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

Authorised share capital

The table below provides a summary of the authorisations in force concerning capital increases and reductions, as voted by shareholders at the Annual General Meeting of 16 May 2019, as well as their use during 2019.

Authorisations	Maximum amount of capital increase/reduction	Duration	AGM at which the resolution was approved	Use in 2019
To reduce the Company's capital through the cancellation of shares purchased under share buyback programmes.	Cancellation capped at 10% of the shares making up the Company's capital at the transaction date	18 months (up to 16/11/2020)	16/05/2019 (13th resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares, with pre-emptive subscription rights.	Maximum nominal amount of capital increase(s): €4,500,000	26 months (up to 16/07/2021)	16/05/2019 (14th resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares, without pre-emptive subscription rights	Maximum nominal amount of capital increase(s): €3,000,000	26 months (up to 16/07/2021)	16/05/2019 (15th resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares, without pre-emptive subscription rights, by way of a private placement.	Maximum nominal amount of capital increase(s): €1,500,000	26 months (up to 16/07/2021)	16/05/2019 (16th resolution)	No
To set the issue price for issues of shares and/or securities carrying rights to shares carried out without pre-emptive subscription rights, subject to a ceiling of 10% of the Company's capital as well as the ceilings provided for at the AGM.	10% of the Company's capital per 12-month period, and subject to the ceilings provided for at the AGM	26 months (up to 16/07/2021)	16/05/2019 (17th resolution)	No
To increase the amount of issues carried out with or without pre-emptive subscription rights pursuant to the 19th to 21st resolutions.	Up to 15% of the original issue	26 months (up to 16/07/2021)	16/05/2019 (18th resolution)	No
To set a blanket ceiling for the overall amount by which the Company's capital may be increased (pursuant to the 19th to 21st resolutions).	€4,500,000 maximum nominal amount of capital increase(s) and €45,000,000 maximum nominal amount for issues of debt securities	26 months (up to 16/07/2021)	16/05/2019 (19th resolution)	No
To increase the Company's capital by capitalising share premiums, reserves, profit or other eligible items.	Maximum nominal amount of capital increase(s): €15,000,000	26 months (up to 16/07/2021)	16/05/2019 (20th resolution)	No
To award free shares/performance shares (existing or newly-issued shares)	3% increase in the nominal amount of the Company's capital at the award date	38 months (up to 16/07/2022)	16/05/2019 (21st resolution)	Yes (see Section 6.2.6)
To issue BSAAR or BSA stock warrants (without pre-emptive subscription rights) to employees and corporate officers of the Company and its subsidiaries	€470,046, representing a maximum total of 470,046 shares, i.e. 3% of the Company's capital	18 months (up to 26/11/2020)	16/05/2019 (22nd resolution)	No
To set a blanket ceiling on the issues carried out pursuant to the 21st and 22nd resolutions.	Ceiling: 940,092 shares	Same period as that in the resolution concerned	16/05/2019 (23rd resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares for members of a company or Group savings plan.	Maximum nominal amount of 1% of the Company's capital at the issue date	26 months (up to 16/07/2021)	16/05/2019 (24th resolution)	No

Potential share capital

At the date this Universal Registration Document was filed, potential share capital comprised free shares and performance shares.

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6.2.5 STOCK OPTIONS

No stock options were awarded in 2019.

6.2.6 FREE SHARE AND PERFORMANCE SHARE AWARDS

The Board of Directors awarded the following free shares and performance shares in 2019:

	07/2019 plan	09/2019 plan
Date of AGM	16/05/2019	16/05/2019
Date of award (Board of Directors meeting)	22/07/2019	05/09/2019
Number of free shares or performance shares awarded	54,175	500
Number of beneficiaries	91	1
Vesting date	31/07/2022	31/07/2022
Date of availability	31/07/2022	31/07/2022
Number of free shares or performance shares vested	-	-
Number of free shares or performance shares not yet vested	53,425	500

The table below provides a summary of the free share and performance share plans put in place by the Group.

	07/2016 plan (T1)	07/2017 plan	07/2017 plan (NT2)	07/2017 plan (T3)	09/2017 plan	AP 2018 plan	AGA 2018 plan	September 2018 AGA plan
Date of AGM	24/05/2016	16/05/2017	24/05/2016	24/05/2016	16/05/2017	16/05/2018	16/05/2018	16/05/2018
Date of award (Board of Directors meeting)	04/07/2016	26/07/2017	26/07/2017	26/07/2017	07/09/2017	04/07/2018 06/09/2018	04/07/2018	06/09/2018
Number of free shares or performance shares awarded	68,250	3,000	91,800	66,750	10,500	36,000	9,250	6,000
Number of beneficiaries	89	1	89	89	13	49	7	1
Vesting date	30/04/2020	30/04/2020	30/04/2020	30/04/2020	30/04/2020	31/07/2021	31/07/2021	30/09/2020
Date of availability	30/04/2020	30/04/2020	30/04/2020	30/04/2020	30/04/2020	31/07/2021	31/07/2021	30/09/2020
Number of free shares or performance shares vested	-	-	-	-	-	-	-	-
Number of free shares or performance shares not yet vested	57,750	3,000	78,540	56,500	6,500	33,000	7,500	6,000

6.2.7 TREASURY SHARE TRANSACTIONS CARRIED OUT BY THE COMPANY IN 2019 (ARTICLE L. 225-211 OF THE FRENCH COMMERCIAL CODE)

In the twelfth resolution of the 16 May 2019 Annual General Meeting, as permitted under Article L. 225-209 of the French Commercial Code, Assystem's shareholders granted the Company an eighteen-month authorisation (expiring on 16 November 2020) to buy back its own shares.

This authorisation superseded the previous authorisation granted for the same purpose at the Annual General Meeting of 16 May 2018.

The shares bought back under the programme may not represent over 10% of the Company's capital and the maximum per-share purchase price set by the Company's shareholders is €37.50 (excluding costs). The overall ceiling on the programme is €12,500,000.

The shares purchased under the buyback programme may be used for the following purposes:

- to maintain the liquidity of the Company's shares under a liquidity contract entered into with an investment services provider that complies with a Code of Conduct recognised by the AMF;
- to honour obligations associated with stock option and/or free share/performance share plans, employee savings schemes or other share allotments made to employees and officers of the Company or related companies; for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for the Company's shares;

- to be held and subsequently used in exchange or as payment in connection with external growth transactions;
- for subsequent cancellation; or
- more generally, for any purpose authorised by law or any market practice that may be permitted by the market authorities in the future, provided that in such a case the Company notifies its shareholders by way of a press release.

In the event of a corporate action, such as the capitalisation of reserves and a bonus share allotment, a stock split or reverse stock split, the prices indicated above will be adjusted accordingly.

If the Company buys back its own shares without subsequently cancelling them, this may have an impact on its taxable earnings if the shares are then sold or transferred at a different price than their purchase price.

Summary of treasury share transactions carried out in 2019

The table below provides a summary of Assystem's use of its share buyback programme during 2019:

Treasury shares held at 31/12/2018	667,336
Number of shares used per end-purpose	
Liquidity contracts and share buyback mandate:	
• Shares purchased under the liquidity contract	58,575
• Shares purchased under the share buyback mandate	12,838
• Shares sold under the liquidity contract	67,109
• Shares cancelled during the year	-
Shares sold outside the scope of the liquidity contract	-
Shares allocated to employees or corporate officers:	
• Shares delivered under free share/performance share plans	1,000
Shares used for external growth transactions:	
• Shares used as payment in connection with external growth transactions	-
Shares cancelled:	
• Shares cancelled during the year	-
• Shares cancelled during the past 24 months	-
Treasury shares held at 31 December 2019	670,640
Value of shares held at 31 December 2019 at the average purchase price	15,635,836
Additional information (in euros):	
• Average purchase price	32.42
• Average sale price	33.40
• Transaction costs	42,736

Liquidity contract

Assystem has a liquidity contract with Kepler Cheuvreux covering its ordinary shares. This contract – which complies with the AMAFI Code of Conduct approved by the AMF on 21 March 2011 – has been in effect since 1 December 2016, originally for a one-year term then automatically renewable for further one-year periods.

The following assets were allocated to the liquidity account when the liquidity contract was set up:

- 22,970 Assystem shares;
- €923,444.41 in cash.

The shares purchased under the liquidity contract are used to maintain the liquidity of the Company's shares and to enable the Company to implement and honour its obligations under stock option and/or free share/performance share plans as well as other share allotments made to employees and corporate officers of the Group.

At 31 December 2019, the liquidity account held the following assets:

- 13,419 shares;
- €692,274.05 in cash.

Share buybacks outside the scope of the liquidity contract

On 8 April 2019, the Company gave Natixis a mandate to acquire by 31 December 2019 on Euronext Paris, in successive purchases, either on the open market or in block trades, up to 300,000 Assystem shares at a maximum per-share price of €29. By way of an addendum to the mandate agreement dated 12 November 2019, this per-share purchase price was increased to €30.

During 2019, Natixis purchased 12,838 shares under this mandate for a total of €368,197.51.

6.2.8 CHANGES IN SHARE CAPITAL OVER THE LAST THREE YEARS

The table below presents the changes in Assystem's share capital over the last three years, showing:

- the governance body that took the decision concerned and the date the relevant meeting of that body was held;
- the type of transaction;
- the exact amount of the capital increase or reduction (in euros);
- the issue premium or amount charged to the issue premium account;
- the number of shares issued or cancelled; and
- the new amount of the share capital after the capital increase or reduction (with the number of shares equalling the amount of the share capital in view of the fact that the shares have a par value of €1 each).

EGM/Board of Directors' meeting	Type of transaction	Capital reduction	Amount charged to the issue premium account	Number of shares cancelled	New amount of share capital
21 December 2017	Capital reduction following Assystem's share buyback offer	€6,550,000	€239,075,000[1]	6,550,000	€15,668,216

(1) The amount stated corresponds to the difference between the purchase price of the shares bought back and the par value of the cancelled shares.

Based on the information notified to the Company, Assystem's ownership structure at the end of the last three financial years was as follows:

AT 31 DECEMBER 2019

	Shares	% of share capital	Exercisable voting rights	%	Theoretical voting rights	%
HDL Development	8,953,118	57.14	17,906,236	74.17	17,906,236	72.16
HDL	54,607	0.35	54,607	0.23	54,607	0.22
Free float	5,989,851	38.23	6,182,914	25.61	6,182,914	24.92
Treasury shares	670,640	4.28	-	-	670,640	2.70
Total	**15,668,216**	**100.00**	**24,143,757**	**100.00**	**24,814,397**	**100.00**

AT 31 DECEMBER 2018

	Shares	% of share capital	Exercisable voting rights	%	Theoretical voting rights	%
HDL Development	9,611,013	61.34	19,222,026	77.32	19,222,026	75.30
HDL	54,468	0.35	54,468	0.22	54,468	0.21
Free float	5,335,399	34.05	5,583,172	22.46	5,583,172	21.87
Treasury shares	667,336	4.26	-	-	667,336	2.61
Total	**15,668,216**	**100.00**	**25,859,666**	**100.00**	**25,527,002**	**100.00**

AT 31 DECEMBER 2017

	Shares	%	Exercisable voting rights	%	Theoretical voting rights	%
HDL Development	9,611,013	61.34	19,222,026	76.86	19,222,026	75.32
Free float	5,548,050	35.41	5,787,791	23.14	5,787,791	22.68
Treasury shares	509,153	3.25	-	-	509,153	2.00
Total	**15,668,216**	**100.00**	**25,009,817**	**100.00**	**25,518,970**	**100.00**

6.3 STATUTORY AUDIT AND FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

6.3.1 STATUTORY AUDIT

In compliance with French commercial law, Assystem's Statutory Auditors certify the financial statements of the Company and the Group and, through members of their networks, examine the accounts of the majority of fully consolidated subsidiaries.

For 2019, the fees paid by the Group for audit engagements amounted to €388 thousand for KPMG and €373 thousand for Deloitte & Associés.

A table setting out the fees recognised by Assystem and its fully consolidated subsidiaries in 2019 for work carried out by the Statutory Auditors is provided below.

6.3.2 STATUTORY AUDITORS

Statutory Auditors	Date last appointed	End of current term
KPMG Represented by Eric Ropert Tour Eqho, 2 avenue Gambetta – CS 60055 92066 Paris-La Défense, France	22 May 2015	Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2020
Deloitte & Associés Represented by Albert Aidan 6, place de la Pyramide 92908 Paris-La Défense, France	16 May 2017	Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022
Substitute Auditor		
Salustro Reydel Tour Eqho, 2 avenue Gambetta – CS 60055 92066 Paris-La Défense, France	22 May 2015	Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2020

6.3.3 STATUTORY AUDITORS' FEES IN 2019

	Deloitte & Associés				KPMG			
	Statutory Auditors		Network		Statutory Auditors		Network	
In thousands of euros	Amount	%	Amount	%	Amount	%	Amount	%
Certification of consolidated and separate financial statements and limited review of half-yearly financial statements								
Issuer	176	33%	-	-	186	49%	-	-
Controlled entities	46	9%	151	100%	167	44%	35	100%
Sub-total	222	99%	151	100%	353	94%	35	100%
Services other than certifying financial statements								
Issuer*	2	1%	-	-	22	6%	-	-
Controlled entities		-	-	-	1	-	-	-
Sub-total		1%	-	-	23	6%	-	-
Total	**224**	**100%**	**151**	**100%**	**376**	**100%**	**35**	**100%**

* *Including various tax consultations, which did not have a material impact on the consolidated financial statements.*

6.4 SPECIAL REPORT ON AWARDS OF FREE SHARES AND PERFORMANCE SHARES

Annual General Meeting of 26 June 2020

To the Shareholders,

In accordance with Article L. 225-197-4 of the French Commercial Code, we hereby report to you on free share and performance share awards made in 2019 (i) to corporate officers and certain employees of Assystem, and (ii) within Assystem's subsidiaries.

6.4.1 FREE SHARE AND/OR PERFORMANCE SHARE AWARDS DECIDED BY THE COMPANY'S BOARD OF DIRECTORS

In the year ended 31 December 2019

At its meeting on 22 July 2019, the Board of Directors used the authorisation granted by shareholders in the 21st resolution of the Annual General Meeting of 16 May 2019 to grant:

- 54,175 free shares to 91 beneficiaries. The vesting period for these shares ends on 31 July 2022 and they are not subject to a lock-up period.

At its meeting on 5 September 2019, the Board of Directors used the authorisation granted by shareholders in the 21st resolution of the Annual General Meeting of 16 May 2019 to grant:

- 500 free shares to one beneficiary. The vesting period for these shares ends on 31 July 2022 and they are not subject to a lock-up period.

6.4.2 FREE SHARES AND/OR PERFORMANCE SHARES AWARDED DURING 2019 BY RELATED COMPANIES AS DEFINED IN ARTICLE L. 225-197-2 OF THE FRENCH COMMERCIAL CODE

None.

6.4.3 FREE SHARES AND/OR PERFORMANCE SHARES AWARDED BY CONTROLLED COMPANIES AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE

None.

6.5 SPECIAL REPORT ON STOCK OPTIONS

No stock options were awarded in 2019.

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ANNUAL GENERAL MEETING OF 26 JUNE 2020

7.1 AGENDA

7.1.1 ORDINARY BUSINESS

- The Board of Directors' management report, including the report on the Group's operations in 2019 and the corporate governance report, the presentation by the Board of Directors of the parent company and consolidated financial statements for the year ended 31 December 2019.
- Statutory Auditors' reports on the parent company and consolidated financial statements for the year ended 31 December 2019.
- Statutory Auditors' report on the related-party agreements governed by Articles L. 225-38 et seq. of the French Commercial Code.
- Report of the independent third party on the non-financial performance statement.
- First resolution – Approval of the parent company financial statements for the year ended 31 December 2019.
- Second resolution – Approval of the consolidated financial statements for the year ended 31 December 2019.
- Third resolution – Discharge given to the Board of Directors for its duties performed in 2019.
- Fourth resolution – Appropriation of profit for the year ended 31 December 2019 and approval of a dividend payment of one euro per share.
- Fifth resolution – Re-election of Dominique Louis as a director.
- Sixth resolution – Re-election of Gilbert Lehmann as a director.
- Seventh resolution – Re-election of Virginie Calmels as a director.
- Eighth resolution – Re-election of Miriam Maes as a director.
- Ninth resolution – Election of Julie Louis as a director.
- Tenth resolution – Election of Pierre Guénant as a director.
- Eleventh resolution – Election of MC Conseil as a director.
- Twelfth resolution – Ratification of the appointment of Vincent Favier as a director.
- Thirteenth resolution – Election of Vincent Favier as a director.
- Fourteenth resolution – Approval of related-party agreements.
- Fifteenth resolution – Setting the aggregate amount of directors' remuneration.
- Sixteenth resolution – Approval of the compensation policies for 2020 applicable to the Company's corporate officers[1].
- Seventeenth resolution – Approval of the compensation policy for 2020 applicable to the Chairman & CEO.
- Eighteenth resolution – Approval of the compensation policy for 2020 applicable to the Deputy CEO(s).
- Nineteenth resolution – Approval of the compensation policy for 2020 applicable to the non-executive directors.
- Twentieth resolution – Approval of the information on the 2019 compensation of each corporate officer disclosed in accordance with paragraph I of Article L. 225-37-3 of the French Commercial Code.
- Twenty-first resolution – Approval of the fixed and variable components making up the total compensation and benefits paid during, or allocated for, the year ended 31 December 2019 to the Chairman & CEO, Dominique Louis.
- Twenty-second resolution – Approval of the fixed and variable components making up the total compensation and benefits paid during, or allocated for, the year ended 31 December 2019 to the CFO & Deputy CEO, Philippe Chevallier.
- Twenty-third resolution – Authorisation for the Board of Directors to carry out a share buyback programme.

7.1.2 EXTRAORDINARY BUSINESS

- Twenty-fourth resolution – Authorisation for the Board of Directors to reduce the Company's capital by cancelling treasury shares.
- Twenty-fifth resolution – Authorisation for the Board of Directors to increase the Company's capital – on an immediate or deferred basis – by a maximum aggregate nominal amount of €4,500,000 by issuing ordinary shares and/or securities carrying rights to shares, with pre-emptive subscription rights for existing shareholders.
- Twenty-sixth resolution – Authorisation for the Board of Directors to increase the Company's capital by a maximum aggregate nominal amount of €3,000,000 by issuing ordinary shares and/or other securities, without pre-emptive subscription rights for existing shareholders, through a public offer (excluding private placements as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code).
- Twenty-seventh resolution – Authorisation for the Board of Directors to increase the Company's capital by a maximum aggregate nominal amount of €1,500,000 by issuing ordinary shares and/or other securities, without pre-emptive subscription rights for existing shareholders, through a private placement, as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code.
- Twenty-eighth resolution – Authorisation for the Board of Directors to set the issue price for issues of shares or other securities carried out without pre-emptive subscription rights for existing shareholders, subject to a ceiling of 10% of the Company's capital and the ceilings set at the Annual General Meeting.

(1) For the purposes of this document, the term "corporate officer" means a director or officer of the Company. The term "executive officer" means a corporate officer who has an executive role within the Company and who may or may not be a member of Assystem's Board of Directors. At 31 December 2019, Assystem had two executive officers: Dominique Louis, Chairman & CEO and Philippe Chevallier, CFO & Deputy CEO.

- Twenty-ninth resolution – Authorisation for the Board of Directors to increase the amount of issues of ordinary shares or other securities carried out with or without pre-emptive subscription rights for existing shareholders pursuant to the twenty-fifth to twenty-seventh resolutions.
- Thirtieth resolution – Blanket ceilings for the authorisations granted to the Board of Directors to increase the Company's capital.
- Thirty-first resolution – Authorisation to increase the Company's capital by a maximum nominal amount of €15,000,000 by capitalising share premiums, reserves, profit or other eligible items.
- Thirty-second resolution – Authorisation for the Board of Directors to grant new or existing shares free of consideration.
- Thirty-third resolution – Authorisation for the Board of Directors to issue stock warrants (BSAAR and BSA) to employees and corporate officers of the Company and its subsidiaries, without pre-emptive subscription rights for existing shareholders.
- Thirty-fourth resolution – Blanket ceiling for issues carried out pursuant to the thirty-second resolution (free share grants) and the thirty-third resolution (stock warrant issues).
- Thirty-fifth resolution – Authorisation to increase the Company's capital by issuing shares and/or securities carrying rights to the Company's shares to employees who are members of a company or Group employee savings plan.
- Thirty-sixth resolution – Amendment to Article 8 of the Company's Articles of Association.
- Thirty-seventh resolution – Amendment to Article 11.1 of the Company's Articles of Association.
- Thirty-eighth resolution – Amendment to Article 12 of the Company's Articles of Association.
- Thirty-ninth resolution – Amendment to Article 15 of the Company's Articles of Association.
- Fortieth resolution – Amendment to Article 16 of the Company's Articles of Association.

7.1.3 ORDINARY AND EXTRAORDINARY BUSINESS

- Forty-first resolution – Powers to carry out formalities.

7.2 PURPOSES OF THE PROPOSED RESOLUTIONS

7.2.1 ORDINARY RESOLUTIONS

FIRST, SECOND AND THIRD RESOLUTIONS – APPROVAL OF THE 2019 FINANCIAL STATEMENTS

In the **first, second and third resolutions**, the shareholders are invited to approve Assystem's parent company and consolidated financial statements for the year ended 31 December 2019 and to give full discharge to the Board of Directors for the performance of its duties in 2019.

FOURTH RESOLUTION – APPROPRIATION OF PROFIT AND APPROVAL OF A DIVIDEND PAYMENT

In the **fourth resolution**, the shareholders are invited to appropriate the Company's profit for the year ended 31 December 2019 and to approve a dividend payment of one euro per share.

FIFTH, SIXTH, SEVENTH, EIGHTH, NINTH, TENTH, ELEVENTH, TWELFTH AND THIRTEENTH RESOLUTIONS – RE-ELECTION OF DIRECTORS, ELECTION OF NEW DIRECTORS, AND RATIFICATION OF THE APPOINTMENT OF A DIRECTOR

In the **fifth, sixth, seventh, eighth, ninth, tenth and eleventh resolutions**, the shareholders are asked to (i) re-elect Dominique Louis, Gilbert Lehmann, Virginie Calmels and Miriam Maes as directors, and (ii) elect Julie Louis, Pierre Guénant and MC Conseil (represented by Michel Combes) as new directors.

In the **twelfth and thirteenth resolutions** the shareholders are invited to ratify the appointment of Vincent Favier as a director and to elect him as a director.

FOURTEENTH RESOLUTION – APPROVAL OF RELATED-PARTY AGREEMENTS

i) Following the formation of HDL Development and its successful takeover bid for Assystem shares, on 1 April 2014, HDL and HDL Development signed a services agreement under which HDL undertook to provide services to HDL Development involving strategy definition, management, organisation and oversight for the Assystem Group. Another related-party agreement was also signed between HDL Development and Assystem SA concerning the rebilling of these services.

At its meetings on 15 March 2018 and 6 September 2018, the Board of Directors authorised the signature of two riders (riders 2 and 3) to this rebilling agreement in view of the scale of the strategic services provided. The two riders stated that the services provided in 2019 would be remunerated as follows:

- a fixed portion of €174,000 (excl. VAT), i.e. 50% of the annual amount previously applicable;
- a variable portion representing a maximum annual amount of €800,000 (excl. VAT), entirely based on Assystem's consolidated EBITA (including the share of profit of equity-accounted investees but excluding the share of profit of Expleo Group) expressed as a percentage of revenue. The amount actually payable based on this criterion was to be determined on a straight-line basis between a floor (i.e. the level below which the criterion is deemed not to have been met) and a cap (i.e. the level at which the criterion is deemed to have been fully met).

At its meeting on 9 March 2020, based on an analysis of the applicable criterion, the Board decided to award HDL Development variable compensation amounting to €423,000 for 2019.

ii) Philippe Chevallier, CFO & Deputy CEO, is eligible for a termination benefit in the event that he is removed from office by the Company. However, this eligibility expires at the close of this Annual General Meeting and has not been renewed.

FIFTEENTH RESOLUTION – SETTING THE AGGREGATE AMOUNT OF DIRECTORS' REMUNERATION

In the **fifteenth resolution**, the shareholders are asked to set the aggregate annual amount of directors' remuneration at €260,000 for 2020 and subsequent years, until decided otherwise by the shareholders in a General Meeting.

SIXTEENTH, SEVENTEENTH, EIGHTEENTH AND NINETEENTH RESOLUTIONS – APPROVAL OF THE COMPENSATION POLICIES FOR 2020 APPLICABLE TO THE COMPANY'S CORPORATE OFFICERS

In the **sixteenth resolution**, in accordance with paragraph II of Article L. 225-37-2 of the French Commercial Code, the shareholders are asked to approve the compensation policies for 2020 applicable to the Company's corporate officers, as described in the 2019 Universal Registration Document (Chapter 4 – "Corporate Governance Report", in the Section entitled "Compensation policies for the corporate officers").

In the **seventeenth, eighteenth and nineteenth resolutions**, in accordance with the recommendations of the Autorité des marchés financiers (the French securities regulator) the shareholders are asked to approve the compensation policies for 2020 applicable respectively to the Chairman & CEO, the Deputy CEO(s) and the non-executive directors.

TWENTIETH, TWENTY-FIRST AND TWENTY-SECOND RESOLUTIONS – APPROVAL OF THE REPORT ON COMPENSATION FOR 2019, AND THE FIXED AND VARIABLE COMPONENTS MAKING UP THE TOTAL COMPENSATION OF THE CHAIRMAN & CEO AND THE CFO & DEPUTY CEO, PAID DURING, OR ALLOCATED FOR, THE YEAR ENDED 31 DECEMBER 2019

In the **twentieth resolution**, in accordance with paragraph II of Article L. 225-100 of the French Commercial Code, the shareholders are asked to approve the information disclosed pursuant to paragraph II of Article L. 225-37-3 of said Code relating to the 2019 compensation for each of the Company's corporate officers, as described in the 2019 Universal Registration Document (Chapter 4 – "Corporate Governance Report", in the Section entitled "Report on the corporate officers' compensation for 2019").

In the **twenty-first and twenty-second resolutions**, in accordance with paragraph III of Article L. 225-100 of the French Commercial Code, the shareholders are invited to approve the fixed and variable components making up the total compensation and benefits paid during, or allocated for, 2019 to the Chairman & CEO and the CFO & and Deputy CEO, respectively, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Report on the corporate officers' compensation for 2019").

TWENTY-THIRD RESOLUTION – SHARE BUYBACK PROGRAMME

In the **twenty-third resolution**, the shareholders are invited to renew, for an 18-month period, the authorisation for the Board of Directors to buy back Assystem shares on behalf of the Company, either directly or indirectly, for a maximum purchase price of €32 per share. The total amount that could be invested in this share buyback programme would be €12,500,000 and the shares bought back could not exceed 10% of the Company's capital.

The objectives of the share buyback programme are listed in the twenty-third resolution below and in the description of the programme available on the Company's website.

This new authorisation would supersede the authorisation previously granted for the same purpose.

7.2.2 EXTRAORDINARY RESOLUTIONS

SUMMARY TABLE OF AUTHORISATIONS SOUGHT AT THE 26 JUNE 2020 AGM

Authorisation	Ceiling	Duration (expiry date)
To reduce the Company's capital by cancelling shares purchased under share buyback programmes *(24th resolution)*	Cancellation capped at 10% of the shares making up the Company's capital at the transaction date	18 months (up to 16/11/2021)
To increase the Company's capital by issuing shares and/or securities carrying rights to shares, with pre-emptive subscription rights *(25th resolution)*	Maximum nominal amount of capital increase(s): €4,500,000	26 months (up to 16/07/2022)
To increase the Company's capital by issuing shares and/or securities carrying rights to shares, without pre-emptive subscription rights, through a public offer (excluding private placements as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code) *(26th resolution)*	Maximum nominal amount of capital increase(s): €3,000,000	26 months (up to 16/07/2022)
To increase the Company's capital by issuing shares and/or securities carrying rights to shares, without pre-emptive subscription rights, through a private placement as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code *(27th resolution)*	Maximum nominal amount of capital increase(s): €1,500,000	26 months (up to 16/07/2022)
To set the issue price for issues of shares and/or securities carrying rights to shares carried out without pre-emptive subscription rights, subject to a ceiling of 10% of the Company's capital and the ceilings set at the AGM *(28th resolution)*	10% of the Company's capital per 12-month period, and subject to the ceilings set at the AGM	26 months (up to 16/07/2022)
To increase the amount of issues carried out with or without pre-emptive subscription rights pursuant to the 25th to 27th resolutions *(29th resolution)*	15% of the original issue	26 months (up to 16/07/2022)
To set blanket ceilings for issues carried out pursuant to the 25th, 26th, 27th and 29th resolutions *(30th resolution)*	Maximum nominal amount of capital increase(s): €4,500,000 Maximum nominal amount of issues of debt securities: €45,000,000	26 months (up to 16/07/2022)
To increase the Company's capital by capitalising share premiums, reserves, profit or other eligible items *(31st resolution)*	Maximum nominal amount of capital increase(s): €15,000,000	26 months (up to 16/07/2022)
To award free shares/performance shares (existing or newly-issued shares) *(32nd resolution)*	3% increase in the nominal amount of the Company's capital at the award date	38 months (up to 16/07/2023)
To issue BSAAR or BSA stock warrants (without pre-emptive subscription rights) to employees and corporate officers of the Company and its subsidiaries *(33rd resolution)*	€470,046 increase in the nominal amount of the Company's capital	18 months (up to 16/11/2021)
To set a blanket ceiling on issues carried out pursuant to the 32nd and 33rd resolutions *(34th resolution)*	Ceiling: 940,092 shares	Same period as that in the resolution concerned
To increase the Company's capital by issuing shares and/or securities carrying rights to shares to members of a company or Group savings plan *(35th resolution)*	Maximum nominal amount of 1% of the Company's capital at the issue date	26 months (up to 16/07/2022)

TWENTY-FOURTH RESOLUTION – AUTHORISATION TO REDUCE THE COMPANY'S CAPITAL BY CANCELLING TREASURY SHARES

At the 16 May 2019 Annual General Meeting, the shareholders authorised the Board of Directors to cancel, on one or more occasions and at its sole discretion, all of some of the Assystem shares purchased under the share buyback programme and to reduce the Company's capital accordingly. The ceiling on the number of shares cancelled pursuant to this authorisation was 10% of the Company's capital.

In the **twenty-fourth resolution**, the shareholders are asked to renew this authorisation for a period of 18 months. Under the new authorisation, the total number of shares cancelled in any 24-month period may not represent more than 10% of the Company's capital (as adjusted for any corporate actions carried out subsequent to this Meeting).

TWENTY-FIFTH RESOLUTION – AUTHORISATION TO INCREASE THE COMPANY'S CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CARRYING RIGHTS TO SHARES, WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS

In order to finance the Group's expansion capital expenditure, at the 16 May 2019 Annual General Meeting, the shareholders authorised the Board of Directors to increase the Company's capital by a maximum nominal amount of €4,500,000, corresponding to approximately 30% of the total capital at 31 December 2018.

This authorisation, which was given for a 26-month period, has not been used.

In the **twenty-fifth resolution**, the shareholders are invited to give the Board of Directors a new authorisation to increase the Company's capital by a maximum nominal amount of €4,500,000, corresponding to approximately 30% of the total capital at 31 December 2019, by issuing, on one or more occasions, ordinary shares and/or dilutive hybrid securities. Existing shareholders would have pre-emptive rights to subscribe for the securities issued pursuant to this resolution, pro rata to their existing holdings.

This authorisation would be valid for a period of 26 months.

TWENTY-SIXTH RESOLUTION – AUTHORISATION TO INCREASE THE COMPANY'S CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CARRYING RIGHTS TO SHARES, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, THROUGH A PUBLIC OFFER (EXCLUDING PRIVATE PLACEMENTS)

In order to finance the Group's expansion capital expenditure, at the 16 May 2019 Annual General Meeting, the shareholders authorised the Board of Directors to increase the Company's capital by a maximum nominal amount of €3,000,000.

This authorisation, which was given for a 26-month period, has not been used.

In the **twenty-sixth resolution**, the shareholders are invited to renew this authorisation for the Board of Directors to increase the Company's capital by a maximum nominal amount of €3,000,000 by issuing on one or more occasions, ordinary shares and/or dilutive hybrid securities, without pre-emptive subscription rights for existing shareholders.

This authorisation would be valid for a period of 26 months.

TWENTY-SEVENTH RESOLUTION – AUTHORISATION TO INCREASE THE COMPANY'S CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CARRYING RIGHTS TO SHARES, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, THROUGH A PRIVATE PLACEMENT

In order to finance the Group's expansion capital expenditure, at the 16 May 2019 Annual General Meeting, the shareholders authorised the Board of Directors to increase the Company's capital by a maximum nominal amount of €1,500,000.

This authorisation, which was given for a 26-month period, has not been used.

In the **twenty-seventh resolution**, shareholders are invited to renew this authorisation for the Board of Directors to increase the Company's capital by a maximum nominal amount of €1,500,000 by issuing, on one or more occasions, ordinary shares and/or dilutive hybrid securities through a private placement (i.e. an offer to qualified investors or a restricted group of investors), without pre-emptive subscription rights for existing shareholders.

This authorisation would be valid for a period of 26 months.

TWENTY-EIGHTH RESOLUTION – AUTHORISATION FOR THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF ORDINARY SHARES AND/OR OTHER SECURITIES

At the 16 May 2019 Annual General Meeting, the shareholders granted the Board of Directors a 26-month authorisation to set the issue price of ordinary shares and/or securities carrying rights to shares issued, without pre-emptive subscription rights for existing shareholders, through a public offer or a private placement as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code. Under this authorisation, for issues representing up to 10% of the Company's capital in any given 12-month period, the Board was entitled not to apply the pricing conditions specified in the resolutions concerned and to set the issue price of the securities at an amount at least equal to the weighted average of the prices quoted for the Company's shares over the twenty trading days preceding the pricing date, less a discount of up to 20%.

This authorisation has not been used.

In the **twenty-eighth resolution**, the shareholders are invited to renew this authorisation for a further 26-month period, i.e. to authorise the Board not to apply the pricing conditions set in the twenty-sixth and twenty-seventh resolutions and to set the issue price of securities issued in accordance with those resolutions at an amount at least equal to the weighted average of the prices quoted for the Company's shares over the twenty trading days preceding the pricing date or the start of the public offer period, less a discount of up to 20%. The new authorisation would be subject to the same ceiling of 10% of the Company's capital in any given 12-month period.

TWENTY-NINTH RESOLUTION – AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE AMOUNT OF ISSUES CARRIED OUT PURSUANT TO THE TWENTY-FIFTH, TWENTY-SIXTH OR TWENTY-SEVENTH RESOLUTIONS

In the **twenty-ninth resolution**, the shareholders are asked to grant the Board of Directors a 26-month authorisation to increase the amount of issues of ordinary shares and/or other securities carried out, with or without pre-emptive subscription rights for existing shareholders, pursuant to the twenty-fifth, twenty-sixth or twenty-seventh resolutions, provided that the additional shares or securities issued do not represent more than 15% of the original issue.

THIRTIETH RESOLUTION – BLANKET CEILINGS FOR THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S CAPITAL

In the **thirtieth resolution**, the shareholders are invited to set overall ceilings ("blanket ceilings") for the authorisations given in the twenty-fifth, twenty-sixth, twenty-seventh and twenty-ninth resolutions at the following maximum aggregate nominal amounts:

- €4,500,000 for capital increases;
- €45,000,000 for debt securities.

THIRTY-FIRST RESOLUTION – AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S CAPITAL BY CAPITALISING SHARE PREMIUMS, RESERVES, PROFIT OR OTHER ELIGIBLE ITEMS

At the 16 May 2019 Annual General Meeting, the shareholders gave the Board of Directors a 26-month authorisation to increase the Company's capital by a maximum aggregate nominal amount of €15,000,000 by capitalising share premiums, reserves, profit or other eligible items.

This authorisation has not been used.

In the **thirty-first resolution**, the Board of Directors is seeking a new 26-month authorisation to increase the Company's capital by a maximum aggregate nominal amount of €15,000,000 by capitalising share premiums, reserves, profit or other eligible items.

THIRTY-SECOND RESOLUTION – FREE SHARE GRANTS

The purpose of the **thirty-second resolution** is to renew the authorisation given to the Board of Directors in 2019 to grant free shares to employees and executive officers of the Group with a view to making Assystem's compensation packages more attractive. The new authorisation would be given for a period of 38 months and the features of the free share grants would be as follows:

- beneficiaries: employees and/or executive officers;
- ceiling: 3% of the Company's capital (2% for executive officers);
- potential vesting conditions: requirement for the beneficiary to still form part of the Group on the vesting date and/or performance conditions;
- vesting period: minimum of one year (minimum of two years for combined vesting period and lock-up period).

THIRTY-THIRD RESOLUTION – AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE STOCK WARRANTS TO EMPLOYEES AND CORPORATE OFFICERS

At the 16 May 2019 Annual General Meeting, the shareholders gave the Board of Directors an 18-month authorisation to issue stock warrants (BSAAR and/or BSA) exercisable for a maximum of 470,046 shares, representing 3% of the Company's capital.

This authorisation has not been used.

In the **thirty-third resolution**, the Board of Directors is asking the shareholders to renew, for 18 months, the authorisation to issue stock warrants (BSAAR and/or BSA) exercisable for a maximum of 470,046 shares, representing 3% of the Company's capital.

THIRTY-FOURTH RESOLUTION – BLANKET CEILING ON THE NUMBER OF SHARES ISSUED PURSUANT TO THE AUTHORISATIONS GIVEN IN THE THIRTY-SECOND AND THIRTY-THIRD RESOLUTIONS

In the **thirty-fourth resolution**, the shareholders are invited to set a blanket ceiling on the number of shares issued pursuant to the thirty-second and thirty-third resolutions, corresponding to 940,092 shares with a par value of €1 each, i.e. 6% of the Company's capital.

THIRTY-FIFTH RESOLUTION – AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SECURITIES TO MEMBERS OF A COMPANY OR GROUP EMPLOYEE SAVINGS PLAN

At the 16 May 2019 Annual General Meeting, the shareholders gave the Board of Directors a 26-month authorisation to carry out one or more capital increases by issuing securities to members of a company or Group employee savings plan, subject to a ceiling of 1% of the Company's capital.

This authorisation has not been used.

In the **thirty-fifth resolution**, the Board of Directors is seeking a new 26-month authorisation to carry out one or more capital increases by issuing securities to members of a company or Group employee savings plan, subject to a ceiling of 1% of the Company's capital.

THIRTY-SIXTH, THIRTY-SEVENTH, THIRTY-EIGHTH, THIRTY-NINTH AND FORTIETH RESOLUTIONS – AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

In the **thirty-sixth, thirty-seventh, thirty-eight, thirty-ninth and fortieth resolutions,** the shareholders are asked to amend Articles 8, 11.1, 12, 15 and 16 of the Company's Articles of Association in order to align them with recent regulatory changes and notably with the provisions of French Act no. 2019-486 of 22 May 2019 (the "Pacte Act") relating to business growth and transformation.

7.2.3 ORDINARY AND EXTRAORDINARY RESOLUTION

FORTY-FIRST RESOLUTION – POWERS TO CARRY OUT FORMALITIES

The **forty-first resolution** is a standard resolution giving the necessary powers to carry out legal filing and other formalities after the Annual General Meeting.

7.3 TEXT OF THE PROPOSED RESOLUTIONS

7.3.1 ORDINARY RESOLUTIONS

FIRST RESOLUTION

Approval of the parent company financial statements for the year ended 31 December 2019

Having considered the Board of Directors' management report and the Statutory Auditors' report on the parent company financial statements, the shareholders:

- Approve the parent company financial statements for the year ended 31 December 2019, as presented, together with the transactions reflected in said financial statements and summarised in said reports.
- Approve the amount of non-tax-deductible expenses referred to in the Board of Directors' report, corresponding to €58,800.

SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended 31 December 2019

Having considered the Board of Directors' management report and the Statutory Auditors' report on the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended 31 December 2019, as presented, together with the transactions reflected in said financial statements and summarised in said reports.

THIRD RESOLUTION

Discharge given to the Board of Directors for its duties performed in 2019

The shareholders give full discharge to the members of the Board of Directors for the performance of their duties in the year ended 31 December 2019.

FOURTH RESOLUTION

Appropriation of profit for the year ended 31 December 2019 and approval of a dividend payment of one euro per share

Having noted that:

- the Company's profit for 2019 totalled €7,951,477.57; and
- the retained earnings account amounts to €402,298,528.79;

the shareholders place on record that distributable profit for 2019 totals €410,250,006.36, and in accordance with the Board of Directors' recommendation, resolve:

- to pay a dividend of one euro (€1) per share for 2019, representing an aggregate payout of €14,960,460, based on the number of shares making up the Company's capital at 29 February 2020 (excluding the 707,756 shares held in treasury at that date); and
- to appropriate the balance of distributable profit to the retained earnings account, which will subsequently amount to €395,289,546.36

Consequently, the shareholders give full powers to the Board of Directors to proceed with the above dividend payment by 30 June 2020 at the latest.

At the time of the dividend payment, the amount actually paid out will be calculated taking into account the exact number of treasury shares bought back under the share buyback programme. If the number of treasury shares held at the date of the dividend payment is not the same as at 29 February 2020, the difference will be accounted for by increasing or decreasing the amount allocated to the retained earnings account.

The dividends paid for the last three years were as follows (information disclosed in accordance with Article 243 bis of the French General Tax Code).

	Amounts eligible for tax relief	
Year	**Dividends**	**Other distributed profit**
2017	€1/share	None
2018	€1/share	None
2019	€1/share	None

FIFTH RESOLUTION

Re-election of Dominique Louis as a director

Having considered the Board of Directors' report, the shareholders resolve to re-elect Dominique Louis as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

SIXTH RESOLUTION

Re-election of Gilbert Lehmann as a director

Having considered the Board of Directors' report, the shareholders resolve to re-elect Gilbert Lehmann as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

SEVENTH RESOLUTION

Re-election of Virginie Calmels as a director

Having considered the Board of Directors' report, the shareholders resolve to re-elect Virginie Calmels as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

EIGHTH RESOLUTION

Re-election of Miriam Maes as a director

Having considered the Board of Directors' report, the shareholders resolve to re-elect Miriam Maes as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

NINTH RESOLUTION

Election of Julie Louis as a director

Having considered the Board of Directors' report, the shareholders resolve to elect Julie Louis as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

TENTH RESOLUTION

Election of Pierre Guénant as a director

Having considered the Board of Directors' report, the shareholders resolve to elect Pierre Guénant as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

ELEVENTH RESOLUTION

Election of MC Conseil as a director

Having considered the Board of Directors' report, the shareholders resolve to elect MC Conseil as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

TWELFTH RESOLUTION

Ratification of the appointment of Vincent Favier as a director

Having considered the report of the Board of Directors, the shareholders resolve to ratify the Board of Directors' 22 January 2020 decision to appoint Vincent Favier as a director to replace Tikehau Capital – a corporate director that resigned from its position on the Board – for the remainder of Tikehau Capital's term of office, i.e. until the close of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2019.

THIRTEENTH RESOLUTION

Election of Vincent Favier as a director

Having considered the Board of Directors' report, the shareholders resolve to elect Vincent Favier as a director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

FOURTEENTH RESOLUTION

Approval of related-party agreements

Having considered the Statutory Auditors' special report on related-party agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, the shareholders place on record said report, which does not identify any new related-party agreements.

FIFTEENTH RESOLUTION

Setting the aggregate amount of directors' remuneration

In accordance with paragraph 1 of Article L. 225-45 of the French Commercial Code, the shareholders resolve to set the aggregate annual amount of directors' remuneration at €260,000 for the year ended 31 December 2020 and subsequent years, until decided otherwise by the shareholders in a General Meeting. Subject to the adoption of the sixteenth resolution of this Meeting, the Board of Directors will divide this amount among its members based on the principles and criteria described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Compensation policies for the corporate officers").

SIXTEENTH RESOLUTION

Approval of the compensation policies for 2020 applicable to the Company's corporate officers

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, pursuant to paragraph II of Article L. 225-37-2 of said Code, the shareholders approve the 2020 compensation policies for the corporate officers, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Compensation policies for the corporate officers").

SEVENTEENTH RESOLUTION

Approval of the compensation policy for 2020 applicable to the Chairman & CEO

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, the shareholders approve the compensation policy for 2020 applicable to the Chairman & CEO, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Compensation policies for the corporate officers").

EIGHTEENTH RESOLUTION

Approval of the compensation policy for 2020 applicable to the Deputy CEO(s)

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, the shareholders approve the compensation policy for 2020 applicable to the Deputy CEO(s), as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Compensation policies for the corporate officers").

NINETEENTH RESOLUTION

Approval of the compensation policy for 2020 applicable to the non-executive directors

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, the shareholders approve the compensation policy for 2020 applicable to the non-executive directors, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Compensation policies for the corporate officers").

TWENTIETH RESOLUTION

Approval of the information on the 2019 compensation of each corporate officer disclosed in accordance with paragraph I of Article L. 225-37-3 of the French Commercial Code

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, pursuant to paragraph II of Article L. 225-100 of said Code, the shareholders approve the information disclosed on the 2019 compensation of each of the Company's corporate officers in accordance with paragraph I of Article L. 225-37-3 of said Code, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Report on the corporate officers' compensation for 2019").

TWENTY-FIRST RESOLUTION

Approval of the fixed and variable components making up the total compensation and benefits paid during, or allocated for, the year ended 31 December 2019 to the Chairman & CEO, Dominique Louis

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, pursuant to paragraph III of Article L. 225-100 of said Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid during, or allocated for, the year ended 31 December 2019 to the Chairman & CEO, Dominique Louis, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Report on the corporate officers' compensation for 2019").

TWENTY-SECOND RESOLUTION

Approval of the fixed and variable components making up the total compensation and benefits paid during, or allocated for, the year ended 31 December 2019 to the CFO & Deputy CEO, Philippe Chevallier

Having considered the corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code, pursuant to paragraph III of Article L. 225-100 of said Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid during, or allocated for, the year ended 31 December 2019 to the CFO & Deputy CEO, Philippe Chevallier, as described in the 2019 Universal Registration Document (in Chapter 4 – "Corporate Governance Report", in the Section entitled "Report on the corporate officers' compensation for 2019").

TWENTY-THIRD RESOLUTION

Authorisation for the Board of Directors to carry out a share buyback programme

Having considered the Board of Directors' report, the shareholders:

- Grant the Board of Directors an authorisation – which may be delegated as provided for by law – to buy back Assystem shares on behalf of the Company, either directly or indirectly, in accordance with Articles L. 225-209 et seq. of the French Commercial Code and market practices approved by the French securities regulator (Autorité des marchés financiers – AMF).

- Resolve that under this share buyback programme, shares may be purchased, sold or otherwise transferred by any method in accordance with the applicable stock market regulations and market practices approved by the AMF, and notably:

- through public purchase or exchange offers;
- through the use of options or other forward financial instruments traded via regulated markets, multilateral trading facilities, systematic internalisers or over the counter, through the allocation of shares on conversion, redemption exchange or exercise of securities carrying rights to the Company's shares, or by any other method, either directly or via an investment services provider;
- through block trades (without limitation) or via multilateral trading facilities or systematic internalisers,

- Resolve that the shares purchased under the buyback programme may be used for the following purposes:

- to maintain the liquidity of the Company's shares under a liquidity contract entered into with an investment services provider that complies with a Code of Conduct recognised by the AMF;
- to honour obligations associated with stock option and/or free share/performance share plans, employee savings schemes or other share allotments made to employees and executive officers of the Company or related companies;
- for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for the Company's shares;
- to be held and subsequently used in exchange or as payment in connection with external growth transactions, in accordance with market practices approved by the AMF;
- for subsequent cancellation, subject to the adoption of the twenty-fourth resolution below, and the conditions set out therein; or
- more generally, for any purpose authorised by law or any market practice that may be permitted by the market authorities in the future, provided that in such a case the Company notifies its shareholders by way of a press release.

- Set the maximum per-share purchase price (excluding fees and transaction costs) at €32 and the maximum amount that the Company may invest in the share buyback programme at €12,500,000. The maximum per-share purchase price may, however, be adjusted in order to take into account any corporate actions carried out while this authorisation is in force (including a bonus share issue paid up by capitalising reserves or a stock-split or reverse stock-split).

- Resolve that the number of shares purchased under the buyback programme may not exceed 10% of the total number of shares making up the Company's capital at any given time (as adjusted for any corporate actions carried out subsequent to this Meeting). When shares are bought back to maintain the liquidity of the Company's shares, in compliance with the AMF's General Regulations, the number of shares taken into account to calculate this 10% ceiling will correspond to the number of shares purchased less the number of shares sold during the period covered by this authorisation. In addition, the number of shares purchased for subsequent delivery as payment or in exchange for shares in another company in connection with a merger, demerger or asset transfer may not represent more than 5% of the total number of shares making up the Company's capital.

- Give full powers to the Board of Directors – which may be delegated as provided for by law – to use this authorisation, and notably to (i) decide when to launch the buyback programme and set the applicable terms and conditions, (ii) place any and all buy and sell orders, (iii) sign any sale or transfer deeds, (iv) enter into any and all agreements, including liquidity contracts and option contracts, (v) allocate the purchased shares to the various specified purposes, (vi) carry out any and all filings with the AMF and any other organisation, and (vii) generally do whatever is necessary.

This authorisation is given for a period of 18 months as from the date of this Meeting and supersedes the unused portion of any authorisation previously granted to the Board of Directors for the same purpose.

7.3.2 EXTRAORDINARY RESOLUTIONS

TWENTY-FOURTH RESOLUTION

Authorisation for the Board of Directors to reduce the Company's capital by cancelling treasury shares

Having considered the reports of the Board of Directors and the Statutory Auditors, and subject to the adoption of the twenty-third resolution above, the shareholders:

- Authorise the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, to cancel, on one or more occasions, all or some of the Assystem shares bought back by the Company, and to reduce the Company's capital accordingly. The total number of shares cancelled in any 24-month period may not represent more than 10% of the Company's capital, as adjusted, where necessary, for any corporate actions carried out subsequent to this Meeting.

- Resolve that any difference between the buyback price and the par value of the cancelled shares will be charged against the share premium account or any other available reserves, including the legal reserve, provided that the legal reserve is not reduced to below 10% of the Company's capital after the capital reduction.

- Grant the Board of Directors full powers – which may be delegated as provided for by law – to carry out the capital reduction(s) by cancelling shares, and notably to (i) determine the amount and terms and conditions of the capital reduction(s), (ii) place on record the capital reduction(s), (iii) charge the difference between the carrying amount of the cancelled shares and their par value against the share premium account or any other available reserves, (iv) more generally, undertake any and all actions, formalities and filings required to complete the capital reduction(s) carried out pursuant to this authorisation, and (v) amend the Company's Articles of Association to reflect the new capital.

This authorisation is given for a period of 18 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

TWENTY-FIFTH RESOLUTION

Authorisation for the Board of Directors to increase the Company's capital – on an immediate or deferred basis – by issuing ordinary shares and/or equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities and/or securities carrying rights to new shares, with pre-emptive subscription rights for existing shareholders

Having considered the reports of the Board of Directors and the Statutory Auditors and having noted that the Company's capital is fully paid up, in accordance with Articles L. 225-129-2, L. 225-129-4, L. 225-134, L. 228-91, L. 228-92 and L. 228-93 of the French Commercial Code, the shareholders:

- Grant the Board of Directors an authorisation – which may be delegated as provided for by law – to increase the Company's capital by issuing, on one or more occasions, (i) ordinary shares of the Company, and/or (ii) equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities, and/or (iii) securities (including any and all debt securities) carrying rights to new shares of the Company or of any entity that directly or indirectly owns over half of the Company's capital or in which the Company directly or indirectly owns over half of the capital. The Board of Directors or its duly authorised representative will have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or any monetary unit determined by reference to a basket of currencies. The issue(s) may be paid up either in cash or by capitalising receivables.

- Expressly note that this authorisation may not be used to issue preference shares.

- Resolve that the aggregate nominal amount of any capital increase(s) carried out pursuant to this authorisation – on an immediate or deferred basis – may not exceed €4,500,000 (representing approximately 30% of the Company's capital at the date of this Meeting), it being specified that this ceiling does not include the par value of any additional shares that may be issued to protect, in accordance with the applicable laws and regulations and any contractual stipulations, the rights of holders of securities and other instruments carrying rights to the Company's shares.

- Resolve that the aggregate par value of any capital increase will be included in the blanket ceiling set in the thirtieth resolution below or in the overall ceiling set in any resolution issued for the same purpose, and covering the same period, as this present resolution.

- Resolve that the aggregate nominal amount of debt securities carrying rights to shares that may be issued pursuant to this authorisation may not exceed €45,000,000 (or the equivalent of this amount for issues denominated in foreign currency), it being specified that this ceiling:

- does not include any above-par redemption premiums;
- is included in the blanket ceiling set in the thirtieth resolution below or in any subsequent resolution adopted for the same purpose during the period in which this authorisation is valid;
- is separate to and does not include the amount of any debt securities referred to in Articles L. 228-40, L. 228-36-A and paragraph 3 of Article L. 228-92 of the French Commercial Code whose issue may be decided or authorised by the Board of Directors in accordance with either (i) the conditions provided for in Article L. 228-40 of said Code, or (ii) the conditions determined by the Company in compliance with Article L. 228-36-A of said Code.

- Resolve that the shareholders will have pre-emptive rights to subscribe for the ordinary shares and other securities issued pursuant to this resolution, which may be exercised in accordance with the applicable laws and regulations.

- Resolve that if certain shareholders elect not to exercise their pre-emptive rights, the Board of Directors may offer the unsubscribed securities to the other shareholders, with each shareholder having the right to acquire the number of securities applied for unless the issue is oversubscribed, in which case the securities will be allocated pro rata to shareholders' existing interests.

- Resolve that if any issue is not taken up in full by shareholders exercising their above-mentioned pre-emptive rights, the Board of Directors may take one or more of the following courses of action, in the order of its choice:

- limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
- freely allocate all or some of the unsubscribed securities;
- offer all or some of the unsubscribed securities for subscription on the open market.

- Resolve that if warrants to subscribe for the Company's shares are issued they may be offered for cash subscription or allocated among holders of existing shares without consideration.

In the latter case, the Board of Directors will have full discretionary powers to decide that rights to fractions of warrants will be non-transferable and non-tradable and that the corresponding warrants will be sold.

- Resolve that the Board of Directors will have full powers to use this authorisation, in accordance with the conditions set down by law, and notably (but not exclusively) to determine (i) the timing and other terms of the issue(s), including the type and characteristics of the securities to be issued (either with or without a premium), (ii) the amounts of the issue(s), (iii) the cum-rights date (which may be retroactive) of the issued securities and the method by which they will be paid up, (iv) the exercise period and exercise price of any rights attached to the issued securities and (v) the terms and conditions for exercising the rights attached to shares and/or securities carrying rights to shares (i.e. any exchange, conversion, redemption or allocation rights), all within the limits provided for in this resolution.

- Resolve that the Board of Directors will have full powers – which may be delegated – to implement this resolution and to carry out the above-described issue(s), on one or several occasions and at the times and in the amounts it deems appropriate, as well as to suspend any issue where appropriate, enter into any and all agreements in order to complete the planned issue(s), place on record the capital increase(s) resulting from each issue, amend the Company's Articles of Association to reflect the new capital, and more generally:

- determine, in accordance with the applicable laws, the terms and conditions for making any adjustments to the rights to the Company's shares attached to the securities issued pursuant to this resolution;
- suspend, where appropriate, the exercise of the rights attached to the securities, for a period not exceeding three months;
- charge any amounts against the share premium account, particularly issuance costs;
- decide on and make any adjustments required in accordance with the applicable laws and regulations and any contractual stipulations in order to protect the rights of holders of securities and other instruments carrying rights to the Company's shares;
- take all necessary measures and carry out all the requisite formalities for listing the issued securities on Euronext Paris or any other market on which the Company's shares are listed at that time.

- Note that if the Board of Directors uses this authorisation, it will report thereon at the following Annual General Meeting in accordance with the applicable laws and regulations.

- Resolve that this authorisation is given for a period of 26 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

TWENTY-SIXTH RESOLUTION

Authorisation for the Board of Directors to increase the Company's capital – on an immediate or deferred basis – by issuing ordinary shares and/or equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities and/or securities carrying rights to new shares, without pre-emptive subscription rights for existing shareholders, through a public offer (excluding private placements as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code)

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-129 to L. 225-129-6 and Articles L. 225-135 et seq. of the French Commercial Code and notably Articles L. 225-136, L. 225-148 and L. 228-91 et seq, the shareholders:

- Grant the Board of Directors an authorisation – which may be delegated as provided for by law – to increase the Company's capital by issuing, on one or more occasions, through a public offer, (i) ordinary shares of the Company, and/or (ii) equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities, and/or (iii) securities (including any and all debt securities) carrying rights to new shares of the Company or of any entity that directly or indirectly owns over half of the Company's capital or in which the Company directly or indirectly owns over half of the capital. The Board of Directors or its duly authorised representative will have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or any monetary unit determined by reference to a basket of currencies. Except for differences in cum-rights dates any new shares issued pursuant to this resolution will rank pari passu with existing shares. This authorisation may notably be used to issue ordinary shares or securities carrying rights to ordinary shares as payment for securities tendered to the Company as part of a public exchange offer that complies with the conditions set out in Article L. 225-148 of the French Commercial Code (including an offer for securities issued by the Company).

- Expressly note that this authorisation may not be used to issue preference shares.

- Expressly note that this authorisation may not be used to carry out a private placement as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code (i.e. an offer to qualified investors or a restricted group of investors).

- Resolve that the securities issued pursuant to this authorisation may consist of debt securities, or may be issued jointly with debt securities, or else allow the issue thereof as intermediate securities.

- Resolve to waive shareholders' pre-emptive rights to subscribe for the ordinary shares and/or other securities to be issued pursuant to this authorisation. However, the Board of Directors may offer existing shareholders a priority right to subscribe for all or part of any issue, for a specified period and subject to terms and conditions to be set by the Board pursuant to Article L. 225-135 of the French Commercial Code. This priority subscription right will not be transferable or tradable and will be exercisable in proportion to shareholders' existing interests. If certain shareholders elect not to exercise this right, the Board may offer the unsubscribed securities to the other shareholders.

- Note that this authorisation automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on exercise of the rights to shares attached to any securities issued in accordance with this resolution.

- Resolve that the aggregate nominal amount of any capital increase(s) carried out pursuant to this authorisation – on an immediate or deferred basis – may not exceed €3,000,000 (representing approximately 20% of the Company's capital at the date of this Meeting), it being specified that this ceiling does not include the par value of any additional shares that may be issued to protect, in accordance with the applicable laws and regulations and any contractual stipulations, the rights of holders of securities and other instruments carrying rights to the Company's shares.

- Resolve that the aggregate nominal amount of any capital increase(s) carried out pursuant to this authorisation will be included in the blanket ceiling set in the thirtieth resolution below or in any subsequent resolution adopted for the same purpose during the period in which this authorisation is valid.

- Resolve that the aggregate nominal amount of debt securities carrying rights to shares that may be issued pursuant to this authorisation may not exceed €45,000,000 (or the equivalent of this amount for issues denominated in foreign currency), it being specified that this ceiling:

- does not include any above-par redemption premiums;
- is included in the blanket ceiling set in the thirtieth resolution below or in any subsequent resolution adopted for the same purpose during the period in which this authorisation is valid;
- is separate to and does not include the amount of any debt securities referred to in Articles L. 228-40, L. 228-36-A and paragraph 3 of Article L. 228-92 of the French Commercial Code whose issue may be decided or authorised by the Board of Directors in accordance with either (i) the conditions provided for in Article L. 228-40 of said Code, or (ii) the conditions determined by the Company in compliance with Article L. 228-36-A of said Code,

- Resolve that if any issue is not taken up in full, the Board of Directors may, in accordance with the law and in the order of its choice, take one or more of the following courses of action provided for in Article L. 225-134 of the French Commercial Code:

- limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
- freely allocate all or some of the unsubscribed securities among the investors of its choice;
- offer all or some of the unsubscribed securities on the open market in France and/or abroad.

- Resolve that the issue price of the shares and other securities that may be issued pursuant to this resolution will be set by the Board of Directors in accordance with Article L. 225-136-1 and Article R. 225-119 of the French Commercial Code. For information purposes, as at the date of this Meeting, in accordance with the applicable legislation, the issue price of shares issued pursuant to this resolution must correspond to at least the weighted average of the prices quoted for the Company's shares over the three trading days preceding the start of the public offer period, less a potential discount of up to 10% and adjusted for any differences in the cum-rights dates of the new shares. The issue price of securities carrying rights to shares must be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on conversion, exchange, redemption or exercise of said rights is, for each share issued, at least equal to the issue price defined above.

- Resolve that the Board of Directors will have full powers – which may be delegated as provided for by law – to use this authorisation in accordance with the conditions set by law and the Company's Articles of Association, and notably to:

- determine the timing and other terms of the issue(s), including the type and characteristics of the securities to be issued (either with or without a premium);
- set (i) the amounts of the issue(s), (ii) the cum-rights date (which may be retroactive) of the issued securities and the method by which they will be paid up, and (iii) the terms and conditions for exercising the rights attached to shares and/or securities carrying rights to shares (i.e. any exchange, conversion, redemption or allocation rights);
- decide on and make any adjustments required in accordance with the applicable laws and regulations and any contractual stipulations in order to protect the rights of holders of securities and other instruments carrying rights to the Company's shares;
- suspend, where appropriate, the exercise of the rights attached to the securities, for a period not exceeding three months;
- in the case of securities issued as payment for securities of another company tendered as part of a public exchange offer:
  - prepare the list of securities tendered to the offer,
  - set the terms and conditions of issue, the exchange ratio and any balance to be paid in cash, without applying the pricing method described in this resolution,
  - determine how the securities will be issued, and
  - more generally, take all necessary measures, enter into any and all agreements, and apply for the admission to trading of the securities issued pursuant to this resolution.

- Resolve that the Board of Directors may:

- at its sole discretion, and when it deems appropriate, charge the costs and fees resulting from the capital increase(s) carried out in accordance with this resolution against the related premiums and deduct from said premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each operation;
- take any and all decisions relating to the admission to trading of the issued securities on Euronext Paris; and
- more generally, take all necessary measures, enter into any commitments and carry out any formalities required for the successful completion of the issue(s) and the resulting capital increase(s), and amend the Company's Articles of Association to reflect the new capital.

- Resolve that this authorisation is given for a period of 26 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

TWENTY-SEVENTH RESOLUTION

Authorisation for the Board of Directors to increase the Company's capital – on an immediate or deferred basis – by issuing ordinary shares and/or equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities and/or securities carrying rights to new shares, without pre-emptive subscription rights for existing shareholders, through a private placement (as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code)

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-129, L. 225-129-2, L. 225-129-4, L. 225-135, L. 225-136 and L. 228-91 et seq. of the French Commercial Code as well as paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, the shareholders:

- Grant the Board of Directors an authorisation – which may be delegated as provided for by law – to increase the Company's capital by issuing, on one or more occasions and without pre-emptive subscription rights for existing shareholders, (i) ordinary shares of the Company, and/or (ii) equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities, and/or (iii) securities (including any and all debt securities) carrying rights to new shares of the Company or of any entity that directly or indirectly owns over half of the Company's capital or in which the Company directly or indirectly owns over half of the capital. The Board of Directors or its duly authorised representative will have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or any monetary unit determined by reference to a basket of currencies. The issue(s) may be paid up either in cash or by capitalising receivables.

- Expressly note that this authorisation may not be used to issue preference shares.

- Resolve that this authorisation may be used to carry out private placements as defined in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code (i.e. an offer to qualified investors or a restricted group of investors).

- Resolve that the aggregate nominal amount of any capital increases carried out pursuant to this authorisation – on an immediate or deferred basis – may not exceed either (i) €1,500,000 (representing approximately 10% of the Company's capital at the date of this Meeting), or (ii) the ceiling provided for in the laws and regulations in force at the date of the issue(s). For information purposes, as at the date of this Meeting, issues of equity securities offered under private placements as defined in paragraph 1 Article L. 411-2 of the French Monetary and Financial Code may not exceed 20% of the Company's capital in any given 12-month period, based on the amount of the capital at the date of the Board's decision to carry out the issue(s). Neither of these ceilings include the par value of any additional shares to be issued pursuant to the applicable laws and any contractual stipulations to protect the rights of existing holders of securities and other instruments carrying rights to the Company's shares.

- Resolve that the aggregate nominal amount of any capital increase(s) carried out pursuant to this authorisation will be included in the blanket ceiling set in the thirtieth resolution below or in any subsequent resolution adopted for the same purpose during the period in which this authorisation is valid.

- Resolve that the aggregate nominal amount of debt securities carrying rights to shares that may be issued pursuant to this authorisation may not exceed €45,000,000 (or the equivalent of this amount for issues denominated in foreign currency), it being specified that this ceiling:

- does not include any above-par redemption premiums;
- is included in the blanket ceiling set in the thirtieth resolution below or in any subsequent resolution adopted for the same purpose during the period in which this authorisation is valid;
- is separate to and does not include the amount of any debt securities referred to in Articles L. 228-40, L. 228-36-A and paragraph 3 of Article L. 228-92 of the French Commercial Code whose issue may be decided or authorised by the Board of Directors in accordance with either (i) the conditions provided for in Article L. 228-40 of said Code, or (ii) the conditions determined by the Company in compliance with Article L. 228-36-A of said Code.

- Resolve to waive shareholders' pre-emptive rights to subscribe for the ordinary shares and/or other securities issued pursuant to this authorisation, in accordance with the applicable legislation.

- Resolve that if any issue is not taken up in full, the Board of Directors may, in accordance with the law and in the order of its choice, take one or more of the following courses of action provided for in Article L. 225-134 of the French Commercial Code:

- limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
- freely allocate all or some of the unsubscribed securities among the investors of its choice;
- offer all or some of the unsubscribed securities on the open market in France and/or abroad.

- Resolve that the issue price of the shares and other securities that may be issued pursuant to this resolution will be set by the Board of Directors in accordance with Articles L. 225-136-1 and R. 225-119 of the French Commercial Code. For information purposes, as at the date of this Meeting, in accordance with the applicable legislation, the issue price of shares issued pursuant to this resolution must correspond to at least the weighted average of the prices quoted for the Company's shares over the three trading days preceding the start of the public offer period, less a potential discount of up to 10% and adjusted for any differences in the cum-rights dates of the new shares. The issue price of securities carrying rights to shares must be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on conversion, exchange, redemption or exercise of said rights is, for each share issued, at least equal to the issue price defined above.

- Note and resolve that this authorisation automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on exercise of the rights to shares attached to any securities issued in accordance with this resolution.

- Resolve that the Board of Directors will have full powers – which may be delegated as provided for by law – to use this authorisation in accordance with the conditions set by law and the Company's Articles of Association, and notably to:

- determine the timing and other terms of the issue(s), including the type and characteristics of the securities to be issued (either with or without a premium);
- set (i) the amounts of the issue(s), (ii) the cum-rights date (which may be retroactive) of the issued securities and the method by which they will be paid up, and (iii) the terms and conditions for exercising the rights attached to shares and/or securities carrying rights to shares (i.e. any exchange, conversion, redemption or allocation rights);
- decide on and make any adjustments required in accordance with the applicable laws and regulations and any contractual stipulations in order to protect the rights of holders of securities and other instruments carrying rights to the Company's shares;
- suspend, where appropriate, the exercise of rights attached to the securities, for a period not exceeding three months.

- Resolve that the Board of Directors may:

- at its sole discretion, and when it deems appropriate, charge the costs and fees resulting from the capital increase(s) carried out in accordance with this resolution against the related premiums and deduct from said premiums the amounts necessary to increase the legal reserve to 10% of the new capital after each operation;
- take any and all decisions relating to the admission to trading of the issued securities on Euronext Paris; and
- more generally, take all necessary measures, enter into any commitments and carry out any formalities required for the successful completion of the issue(s) and the resulting capital increase(s), and amend the Company's Articles of Association to reflect the new capital.

- Note that if the Board of Directors uses this authorisation, it will report thereon at the following Annual General Meeting in accordance with the applicable laws and regulations.

- Resolve that this authorisation is given for a period of 26 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

TWENTY-EIGHTH RESOLUTION

Authorisation for the Board of Directors to set the issue price for issues of ordinary shares and/or equity securities carrying rights to other equity securities of the Company or to the allocation of debt securities and/or securities carrying rights to new shares, carried out without pre-emptive subscription rights for existing shareholders, subject to a ceiling of 10% of the Company's capital and the ceilings set at the Annual General Meeting

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Article L. 225-136 of the French Commercial Code, the shareholders:

- Grant the Board of Directors a 26-month authorisation as from the date of this Meeting – which may be delegated – whereby for issues carried out pursuant to the twenty-sixth and twenty-seventh resolutions above, it will have full powers to decide not to apply the pricing conditions provided for in said resolutions and instead to set the issue price of the securities concerned in accordance with the conditions described below. The issues for which the Board of Directors may set the issue price in this way will be subject to a ceiling representing 10% of the Company's capital (as at the issue date) in any given 12-month period. The applicable conditions will be as follows:

- the issue price of ordinary shares must be at least equal to the lower of either: (i) the weighted average of the prices quoted for the Company's shares over the twenty trading days preceding the pricing date or (ii) the weighted average of the prices quoted for the Company's shares over the twenty trading days preceding the start of the public offer period, less a maximum discount of 20% in both cases. In all circumstances the amount received for each share must be at least equal to the par value. For issues of securities carrying rights to shares, the issue price of the shares resulting from the exercise, conversion or exchange of the rights attached to the securities may be set, at the discretion of the Board, using a calculation formula chosen by the Board and applicable subsequent to the issue of said securities (for example at the time of their exercise, conversion or exchange). In such a case, if the Board deems it appropriate, the above maximum discount may be assessed at the date on which the calculation formula is applied rather than the pricing date;
- the issue price of securities carrying rights to shares must be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on conversion, exchange, redemption or exercise of said securities is, for each share issued, at least equal to the issue price defined above.

- Resolve that the Board of Directors will have full powers to use this authorisation in accordance with the terms and conditions provided for in the resolution(s) used to carry out the issue(s) concerned.

TWENTY-NINTH RESOLUTION

Authorisation for the Board of Directors to increase the amount of issues of ordinary shares or other securities carried out with or without pre-emptive subscription rights for existing shareholders pursuant to the twenty-fifth to twenty-seventh resolutions

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-129, L. 225-129-2, L. 225-135-1, L. 228-91, L. 228-92 and L. 228-93 of the French Commercial Code, the shareholders:

- Authorise the Board of Directors to increase the number of securities issued in the event of issues carried out with or without pre-emptive subscription rights pursuant to the twenty-fifth to twenty-seventh resolutions above, in accordance with the terms and conditions set out in Articles L. 225-135-1 and R. 225-118 of the French Commercial Code (at the date of this Meeting said Articles provide that the additional securities must be issued within thirty days of the close of the original subscription period, at the same price as for the original issue, and may not represent more than 15% of the original issue amount). Any shares issued pursuant to this authorisation will rank pari passu with existing shares, except for differences in cum-rights dates.

- Resolve that the nominal amount of any capital increase(s) carried out pursuant to this resolution will be included in the €4,500,000 blanket ceiling set in the thirtieth resolution below for the capital increases that may be carried out under the twenty-fifth to twenty-seventh resolutions of this meeting. This ceiling does not include the nominal amount of any additional shares or other securities that may be issued pursuant to the applicable laws and any contractual stipulations in order to protect the rights of holders of securities and other instruments carrying rights to the Company's shares.

- Note that if the Board of Directors uses this authorisation, it will report thereon at the following Annual General Meeting in accordance with the applicable laws and regulations.

- Resolve that this authorisation is given for a period of 26 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

THIRTIETH RESOLUTION

Blanket ceilings for the authorisations granted to the Board of Directors to increase the Company's capital

Having considered the Board of Directors' report, the shareholders resolve that:

- the aggregate nominal amount of any capital increases carried out pursuant to the authorisations granted in the twenty-fifth, twenty-sixth, twenty-seventh and twenty-ninth resolutions above may not exceed €4,500,000 (representing approximately 30% of the Company's capital at the date of this Meeting). This ceiling does not include the nominal amount of any additional shares or other securities that may be issued pursuant to the applicable laws and any contractual stipulations in order to protect the rights of holders of securities and other instruments carrying rights to the Company's shares;

- the aggregate nominal amount of debt securities that may be issued pursuant to the above-mentioned resolutions may not exceed €45,000,000 (or the equivalent of this amount at the issue date for issues denominated in foreign currency). This amount does not include any above-par redemption premiums and does not apply to any debt securities referred to in Articles L. 228-40, L. 228-36-A and paragraph 3 of Article L. 228-92 of the French Commercial Code whose issue may be decided or authorised by the Board of Directors in accordance with either (i) the conditions provided for in Article L. 228-40 of said Code, or (ii) the conditions determined by the Company in compliance with Article L. 228-36-A of said Code.

THIRTY-FIRST RESOLUTION

Authorisation for the Board of Directors to increase the Company's capital by capitalising share premiums, reserves, profit or other eligible items

Having considered the Board of Directors' report, in accordance with Articles L. 225-129, L. 225-129-2, and L. 225-130 of the French Commercial Code, the shareholders:

- Grant the Board of Directors an authorisation – which may be delegated as provided for by law – to increase the Company's capital on one or several occasions, to be paid up by capitalising all or part of the Company's reserves, profit or share premiums, and to subsequently issue bonus shares and/or raise the par value of existing shares. The Board of Directors will have full powers to determine the timing and terms and conditions of such capital increase(s), which may not exceed an aggregate amount of €15,000,000. This ceiling (i) is separate from the ceilings set for capital increases carried out pursuant to the other resolutions above, and (ii) does not include the par value of any additional shares to be issued pursuant to the applicable laws and any contractual stipulations in order to protect the rights of holders of securities and other instruments carrying rights to the Company's shares.

- Note that the total amount of any capital increases carried out using this authorisation may not exceed the amount of the Company's reserves, share premiums or profit existing at the time of the capital increase(s).

- Resolve that if the Board of Directors uses this authorisation, in compliance with Article L. 225-130 of the French Commercial Code, any rights to fractions of shares will be non-transferable and non-tradable and the corresponding shares will be sold in accordance with the applicable regulations, with the proceeds of such sale allocated to the holders of the rights within the timeframe provided for in the regulations in force at that date.

- Give full powers to the Board of Directors to use this authorisation and, more generally, take any and all necessary measures and carry out all the formalities required in order to complete each capital increase.

- Resolve that this authorisation is given for a period of 26 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

THIRTY-SECOND RESOLUTION

Authorisation for the Board of Directors to grant new or existing shares free of consideration

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, the shareholders:

- Authorise the Board of Directors to grant, on one or more occasions and free of consideration, existing shares (notably treasury shares purchased under a buyback programme) or new shares of the Company, to beneficiaries designated by the Board in accordance with the applicable laws and regulations from among:

(i) the employees, or certain categories of employees, of the Company and/or of entities or economic interest groupings that are directly or indirectly related to the Company, as defined in Article L. 225-197-2 of the French Commercial Code; or

(ii) executive officers of the Company and/or of entities that are directly or indirectly related to the Company, as defined in Article L. 225-197-2 of the French Commercial Code,

- Resolve that the total number of free shares granted may not represent more than 3% of the Company's capital at the grant date, it being specified that:

(i) the total number of free shares that may be granted to executive officers who fall within the scope of paragraphs 1 and 2 of Article L. 225-197-1 II of the French Commercial Code may not represent more than 2% of the total number of free shares granted by the Board of Directors under this resolution;

(ii) any free shares granted to executive officers who fall within the scope of paragraphs 1 and 2 of Article L. 225-197-1 II of the French Commercial Code will be subject to the terms and conditions set out in Article L. 225-197-6 of said Code;

(iii) the Board of Directors may adjust the number of shares granted, subject to the ceiling specified above, following any corporate actions that may be carried out; and

(iv) the number of free shares that may be granted under this authorisation will be included in the blanket ceiling set in the thirty-fourth resolution below, but no issue carried out pursuant to this resolution will be included in the blanket ceiling set in the thirtieth resolution above.

- Resolve that the shares granted will vest after a period of at least one year (the "Vesting Period"), provided any pre-defined conditions and criteria set by the Board have been met (notably performance conditions and the condition that the beneficiary remains with the Group during the Vesting Period). The beneficiaries of the vested shares may be required to hold their shares for a period set by the Board of Directors (the "Lock-up Period") which, combined with the Vesting Period, may not be less than two years.

- Resolve that, as an exception to the above, the shares may vest before the end of the Vesting Period if a beneficiary suffers from a disability classified in the second or third categories provided for in Article L. 341-4 of the French Social Security Code.

- Resolve that in the event of a beneficiary's death or if a beneficiary suffers from a disability classified in one of the above categories of the French Social Security Code, the vested shares will become freely transferable following a request made by the beneficiary in the event of disability or by his or her heirs in the event of death.

- Resolve that the durations of the Vesting Period and any Lock-up Period will be set by the Board in accordance with the above minimum timeframes.

- Note that, in accordance with Article L. 225-197-1 of the French Commercial Code, in the case of grants of new shares, this resolution automatically entails the waiver by existing shareholders of their pre-emptive rights to subscribe for any such shares and that the corresponding capital increase will take place at the end of the applicable vesting period.

- Note that this resolution automatically entails the waiver by shareholders of their entitlement to the portion of reserves, profit or share premiums that will be capitalised if new shares are issued at the end of the Vesting Period, and that the Board will have full powers to carry out such issues of new shares.

- Grant the Board of Directors full powers – which may be delegated as provided for by law – to use this authorisation and notably to:

- place on record that there are sufficient reserves to pay up the new shares to be granted, and where necessary, at the time of each grant, transfer the amounts necessary for said purpose to a blocked reserve;
- set any eligibility conditions and draw up a list of the names of the beneficiaries and the number of shares that may be granted free of consideration to each beneficiary subject to the above ceilings;
- set any conditions (notably performance and/or presence conditions) that must be met for the shares to vest at the end of the Vesting Period, it being specified that these conditions may vary from one grant and/or one beneficiary to another;
- take the decision to carry out the corresponding capital increase(s) when the shares granted free of consideration correspond to new shares;
- acquire any shares required for delivering to beneficiaries when the shares granted free of consideration correspond to existing shares;
- take all necessary measures to ensure that the beneficiaries respect the Lock-up Period; and
- more generally, do everything required to use this authorisation, in accordance with the applicable legislation.

- Resolve that this authorisation is given for a period of 38 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

Each year, the Board of Directors will report to the Annual General Meeting on the share grants made pursuant to this resolution, in accordance with Article L. 225-197-4 of the French Commercial Code.

THIRTY-THIRD RESOLUTION

Authorisation for the Board of Directors to issue stock warrants (BSAAR and/or BSA) to employees and corporate officers of the Company and its subsidiaries, without pre-emptive subscription rights for existing shareholders

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-129-2, L. 225-138 and L. 228-91 of the French Commercial Code, the shareholders:

- Grant the Board of Directors an authorisation – which may be delegated as provided for by law – to issue, on one or more occasions, stock warrants ("BSA warrants") and/or redeemable stock warrants ("BSAAR warrants").

- Resolve that the aggregate nominal amount of any capital increases carried out as a result of this authorisation, on an immediate or deferred basis, may not exceed €470,046, corresponding to a maximum of 470,046 shares with a par value of €1 each and representing 3% of the Company's capital. This ceiling does not include the par value of any additional shares to be issued pursuant to the applicable laws and any contractual stipulations to protect the rights of holders of securities and other instruments carrying rights to the Company's shares. The number of BSA and BSAAR warrants that may be issued under this authorisation will be included in the blanket ceiling set in the thirty-fourth resolution below, but no issue carried out under this resolution will be included in the blanket ceiling set in the thirtieth resolution above.

- Resolve to waive the pre-emptive rights of existing shareholders to subscribe for the BSA and BSAAR warrants in favour of the employees and corporate officers of the Company and its French and foreign subsidiaries (the "Beneficiaries").

- Authorise, in accordance with Article L. 225-138-I of the French Commercial Code, the Board of Directors to draw up the list of Beneficiaries and to set the maximum number of BSA and/or BSAAR warrants that may be subscribed by each Beneficiary.

- Grant the Board of Directors full powers to determine all of the characteristics of the BSA and BSAAR warrants, notably the subscription price – which will be set based on the opinion of an independent valuer by reference to factors influencing their value (such as exercise price, lock-up period, exercise period, triggering threshold and redemption period, interest rate, dividend payment policy, trading price and volatility of the Company's shares) – as well as the methods of the issue and terms and conditions of the issue contract.

- Resolve that for as long as the Company's shares are listed on Euronext Paris or another stock market, the exercise price of the BSA and BSAAR warrants – which will be set by the Board of Directors at the issue date – must be at least equal to the weighted average of the prices quoted for the Company's shares over the twenty trading days preceding the warrant issue date, it being specified that each BSA or BSAAR warrant will be exercisable for one share of the Company.

- Resolve that this authorisation is given for a period of 18 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

- Resolve that in accordance with Articles L. 228-91 and L. 225-132 of the French Commercial Code, this authorisation automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares issued on exercise of the BSA or BSAAR warrants.

- Give full powers to the Board of Directors – which may be delegated as provided for by law or the applicable regulations – to:

- issue and allocate the BSA and BSAAR warrants and set their subscription price, exercise conditions and final terms, in accordance with the provisions of this resolution and the ceilings set herein;
- draw up the list of Beneficiaries and determine the number of BSA and/or BSAAR warrants to be granted to each Beneficiary;
- set the issue price of the shares for which the warrants will be exercisable, in accordance with the terms and conditions described above;
- place on record the number of shares issued on exercise of the BSA and BSAAR warrants and undertake, either directly or through an authorised representative, any actions and formalities required to complete any capital increase(s) that may be carried out on exercise of the warrants and amend the Articles of Association to reflect the new capital;
- take all measures required to protect the rights of the holders of BSA and BSAAR warrants in the event of a corporate action relating to the Company, in accordance with the applicable laws and regulations; and
- more generally, carry out all measures and formalities required in order to use this authorisation.

THIRTY-FOURTH RESOLUTION

Blanket ceiling for issues carried out pursuant to the thirty-second resolution (free share grants) and the thirty-third resolution (stock warrant issues)

Having considered the reports of the Board of Directors and the Statutory Auditors, the shareholders resolve that the aggregate number of (i) the shares issued for the purpose of granting shares free of consideration pursuant to the thirty-second resolution above and (ii) the shares issued on exercise of warrants issued pursuant to the thirty-third resolution above, may not exceed 940,092 shares with a par value of €1 each. This ceiling (i) does not include any additional shares to be issued pursuant to the applicable laws and any contractual stipulations in order to protect the rights of holders of securities or other instruments carrying rights to the Company's shares and (ii) is separate from and not included in the blanket ceiling set in the thirtieth resolution.

THIRTY-FIFTH RESOLUTION

Authorisation for the Board of Directors to increase the Company's capital by issuing shares and/or securities carrying rights to the Company's shares to employees who are members of a company or Group employee savings plan

Having considered the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-129-2, L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code as well as Articles L. 3332-1 et seq. of the French Labour Code, the shareholders:

- Give the Board of Directors full powers – in accordance with Articles L 225-129 and L 225-138-1 of the French Commercial Code and Articles L. 3332-1 et seq. of the French Labour Code – to increase the Company's capital on one or more occasions by issuing shares and/or securities carrying rights to the Company's shares to employees who are members of an employee savings plan (Plan d'Épargne d'Entreprise) set up by the Company or any French or foreign related entity as defined in Article L 225-180 of the French Commercial Code and Articles L. 3344-1 et seq. of the French Labour Code, subject to a ceiling of 1% of the Company's capital as at the date this authorisation is used. This ceiling is separate from and not included in the blanket ceilings set in the thirtieth and thirty-fourth resolutions.

- Resolve that the subscription price of the shares or securities carrying rights to shares will be set in accordance with the conditions and ceilings provided for in the applicable laws and regulations, notably Article L. 3332-19 of the French Labour Code.

- Authorise the Board of Directors to grant the subscribers, free of consideration, new or existing shares or securities carrying rights to shares, in accordance with Article L. 3332-21 of the French Labour Code. The Board of Directors may (i) use such grants to replace all or part of a discount on the issue price in accordance with the ceilings provided for in the applicable laws and regulations, or (ii) deduct the value of such grants from the total amount of an employer's top-up payment, or (iii) use both of the possibilities provided for in (i) and (ii).

- Give full powers to the Board of Directors to use this authorisation and to:

- draw up the list of entities whose employees will be entitled to subscribe for the shares or other securities;
- set the seniority conditions required for employees to subscribe for the issue(s), subject to the limits provided for in the applicable laws, and set the maximum number of shares that may be subscribed for by the employees concerned;
- set the number of new shares to be issued and their cum-rights date;
- set the issue price of the new shares in accordance with the applicable laws as well as the period during which employees' subscription rights may be exercised;
- set the terms and conditions and timeframes for payment of the subscription price;
- place on record the capital increase(s) and amend the Articles of Association to reflect the new capital;
- if it deems appropriate, charge the issue costs against the related premiums and deduct from the premiums the amount necessary to increase the legal reserve to 10% of the Company's new capital after each issue;
- carry out any and all actions and formalities required in connection with the capital increase(s).

This authorisation automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares or other securities issued pursuant to this resolution.

This authorisation is given for a period of 26 months as from the date of this Meeting and supersedes any authorisation previously granted for the same purpose.

THIRTY-SIXTH RESOLUTION

Amendment to Article 8 of the Company's Articles of Association

Having considered the Board of Directors' report, the shareholders resolve to amend paragraph 8.2 of Article 8 of the Company's Articles of Association, entitled "Share transfers – Identification of shareholders – Disclosure thresholds", to read as follows (with the amended wording emphasised in bold):

"In accordance with the applicable legal and regulatory conditions, the Company is entitled to request from any competent body or organisation, at any time, in exchange for a fee, the name/corporate name, nationality/country of domicile, year of birth/year of formation, and the postal address and/or email address of holders of securities carrying immediate or deferred voting rights at its General Shareholders' Meetings, as well as the number of securities held and details of any restrictions that may apply to the securities. ***Moreover, in accordance with the applicable regulations, the Company may request each holder of its securities to provide the following additional information if such information is available: (i) the registration number or legal entity identifier (LEI) of corporate holders of securities, (ii) the national identity number of individual holders of securities, (iii) the date since the securities have been held, (iv) whether or not the securities holder is a professional investor as defined in Article L. 533-16 of the French Monetary and Financial Code, (v) the code indicating the principal business activity exercised by the securities holder, and (vi) if the securities held correspond to units or shares in a collective investment vehicle, the name and registration number of the organisation that sold such units or shares to the holder."***

The rest of the article remains unchanged.

THIRTY-SEVENTH RESOLUTION

Amendment to Article 11.1 of the Company's Articles of Association

Having considered the Board of Directors' report, the shareholders resolve to align Article 11.1 of the Company's Articles of Association, entitled "Membership structure of the Board of Directors", with the provisions of Article L. 225-27-1 of the French Commercial Code, by:

- amending the twelfth paragraph of Article 11.1 of the Articles of Association to read as follows (with the amended wording emphasised in bold):

  "If the total number of Board members, as calculated in accordance with the law, is eight or lower, one director representing employees must be appointed by the Group Works Council. If the total number of Board members (not including the employee representative director) is increased to more than eight, then a second employee representative director must be appointed by the Group Works Council or the European Works Council if such a council exists, provided that the total number of Board members (not including employee representative directors) still exceeds eight at the date of said appointment (which must take place within six months of the date on which the eight-member threshold is exceeded). If, during the term of office of an employee representative director, the total number of Board members falls to eight or below (not including employee representative directors), the second employee representative director will remain on the Board for the length of his or her scheduled term of office."

- adding a new paragraph after the twelfth paragraph of Article 11.1 of the Articles of Association, as follows (added text emphasised in bold):

  "***The employee representative directors are not taken into account for (i) the calculation of the minimum and maximum number of directors as provided for in Article L. 225-17 of the French Commercial Code, or (ii) the application of the first paragraph of Article L. 225-18-1 of said Code.***"

  The rest of the article remains unchanged.

THIRTY-EIGHTH RESOLUTION

Amendment to Article 12 of the Company's Articles of Association

Having considered the Board of Directors' report, the shareholders resolve to amend Article 12 of the Company's Articles of Association, entitled "Meetings of the Board of Directors", by adding, in accordance with Article L. 225-37 of the French Commercial Code, a new paragraph 12.8, as follows (added text emphasised in bold):

"The Board of Directors may also take the following decisions by way of written consultation of the directors: (i) decisions that fall within the Board's specific remit as defined in Article L. 225-37 of the French Commercial Code, and (ii) decisions to relocate the Company's registered office within the same geographic département."

The rest of the article remains unchanged.

THIRTY-NINTH RESOLUTION

Amendment to Article 15 of the Company's Articles of Association

Having considered the Board of Directors' report, the shareholders resolve to align Article 15 of the Company's Articles of Association, entitled "Non-voting directors", with the provisions of Article L. 225-45 of the French Commercial Code, by amending the final paragraph of said Article 15 to read as follows (with the amended wording emphasised in bold):

"The Board of Directors may allocate compensation to the non-voting directors out of the total annual amount of directors' remuneration approved at the Annual General Meeting."

The rest of the article remains unchanged.

FORTIETH RESOLUTION

Amendment to Article 16 of the Company's Articles of Association

Having considered the Board of Directors' report, the shareholders resolve to amend paragraph 16.2 of Article 16 of the Company's Articles of Association, entitled "Agreements requiring approval by the Board of Directors" to read as follows (with the amended wording emphasised in bold):

"Any agreements entered into directly, or through a third party, between the Company and its Chief Executive Officer, a Deputy Chief Executive Officer, a director, a shareholder holding more than 10% of the Company's voting rights, or if that shareholder is a company, the company that controls the shareholder within the meaning of Article L. 233-3 of the French Commercial Code, are subject to prior approval by the Board of Directors.

The same applies to agreements that indirectly concern any one of the afore-mentioned parties.

The Board's prior approval is also required for any agreements entered into between the Company and another entity if the Company's Chief Executive Officer or any one of its Deputy Chief Executive Officers or directors is the owner, a general partner, legal manager, director, member of the Supervisory Board or, more generally, an executive, of said entity.

Where such prior approval is given, the Board must give its reasons therefor and explain how the agreement is in the Company's interests, notably by setting out the related financial conditions.

Any person directly or indirectly concerned by such an agreement must inform the Board as soon as they are aware of the agreement requiring the Board's prior approval, and may not take part in either the Board's discussions or vote relating to the approval.

The Chairman of the Board of Directors must notify the Company's Statutory Auditor (where a Statutory Auditor has been appointed) of each related-party agreement (as referred to above) that is authorised and entered into, and for each one must provide the reasons why that agreement is in the interests of the Company and has been approved by the Board, in order to enable the Statutory Auditor to draw up the report required in the third paragraph of Article L. 225-40 and Article R. 225-31 of the French Commercial Code.

If the Company has not appointed a Statutory Auditor, the Chairman of the Board of Directors must draft the special report on related-party agreements.

These agreements must be submitted for the shareholders' approval at the Annual General Meeting at which said report is also submitted for approval. Any person directly or indirectly concerned by such an agreement may not take part in the shareholder vote and their shares are not included for the purpose of calculating the applicable majority.

The above provisions do not apply to (i) agreements relating to routine operations entered into by the Company on arm's length terms, or (ii) agreements relating to operations entered into between the Company and another entity when either one of the parties directly or indirectly owns all of the share capital of the other party, after deducting the minimum number of shares required to meet the conditions of Article 1832 of the French Civil Code or Article L. 225-1 of the French Commercial Code.

When any related-party agreements as referred to above have been entered into and approved in a prior year and remained in force in the last financial year, the Statutory Auditor (where one has been appointed) must be informed thereof within a month of the year-end. Such agreements are examined each year by the Board of Directors and disclosed to the Statutory Auditor (where one has been appointed) for the purpose of drawing up the report required under the third paragraph of Article L. 225-40 of the French Commercial Code. Said report must state any information useful to shareholders for assessing whether it is in the Company's interests for the agreements to remain in force, as well as the importance of the goods or services provided and the amount of the sums paid or received during the year for the performance of the agreements".

The rest of the article remains unchanged.

7.3.3 ORDINARY AND EXTRAORDINARY RESOLUTION

FORTY-FIRST RESOLUTION

Powers to carry out formalities

The shareholders give full powers to the bearer of a copy or extract of the minutes of this Meeting to carry out any and all filing and other formalities required by the applicable law and regulations.

7.4 STATUTORY AUDITORS' REPORTS

7.4.1 INFORMATION ABOUT THE STATUTORY AUDITORS' REPORTS

The Statutory Auditors' reports on the parent company and consolidated financial statements are set out in Chapter 5, Sections 5.3 and 5.5 of this Universal Registration Document.

Any additional reports issued by the Statutory Auditors will be published within the applicable legal timeframes on the Company's website at www.assystem.com, in the "Regulated information" Section.

7.4.2 SPECIAL STATUTORY AUDITORS REPORT ON THE REGULATED AGREEMENTS

This is a free translation into English of the Statutory Auditors' special report on regulated agreements with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers.

This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Annual General Meeting of Assystem SA,

In our capacity as Statutory Auditors of your Company, we hereby present our report on the regulated agreements.

Based on the information given to us, it is our responsibility to report to you on the main terms and characteristics and the reasons justifying the interest for the Company of the agreements notified to us, or that we discovered during our audit without having to comment on their appropriateness or on their merits or to look for the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, the benefits to evaluate resulting from these agreements prior to their approval.

Furthermore, it is our responsibility, as appropriate, to provide you with the information provided in Article R. 225-31 of the French Commercial Code relating to the performance, in the past financial year, of agreements already approved by the General Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted for approval of the General Meeting

AGREEMENTS AUTHORISED AND ENTERED INTO IN THE PAST FISCAL YEAR

We inform you that we have not been advised of any agreements authorised and entered into which should have been subject to the approval of the General Meeting under the terms of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

AGREEMENTS APPROVED IN PREVIOUS FINANCIAL YEARS AND PERFORMED DURING THE PAST FISCAL YEAR

Under the terms of Article R. 225-30 of the French Commercial Code, we have been informed that the performance of the following agreement, already approved by the General Meeting in previous fiscal years was continued during the past fiscal year.

Amendments n° 2 and 3 to the re-invoicing contract signed between HDL development S.A.S. and Assystem SA for services being rendered in connection with the strategy definition, management, organisation and control of the Assystem Group

- **Interested parties:**

Dominique Louis, CEO and Director of your Company and the representative of HDL S.A.S., Chairman of HDL Development S.A.S..

- **Nature and terms and conditions:**

In compliance with the amendments n° 2 and 3 to the re-invoicing contract concluded between HDL Development S.A.S. and your Company for the services rendered by HDL S.A.S. in favour of HDL Development S.A.S in connection with the strategy definition, management, organisation and control of the Assystem Group, whose signature was authorised by your Board of Directors in its meetings held on 15 March 2018 and 6 September 2018, these services are remunerated as from the year ended 31 December 2018 as follows:

- a fixed fee paid amounting to 174,000 euros (tax excluded);

- a variable portion amounting to a maximum of 800,000 euros (tax excluded), based on the ratio, expressed as a percentage, of the consolidated ROPA (including the share of the Group in the results of the all associated companies excluding Expleo Group) on the consolidated net sales. The amount due in application of this criterion was to be determined by linear interpolation between a lower limit (at the level or below which the criterion is considered unmet) and an upper limit (at the level or above which the criterion is considered fully met).

  Your Board of Directors held on 9 March 2020 decided, in consideration of the above criteria, no variable portion to award an amount of 423,000 euros to HDL Development S.A.S. for the year ended 31 December 2019.

Moreover, based on the information given to us, we report to you on the following commitment relating to Mr Philippe Chevallier, Chief Financial Officer of your Company, which corresponded to a regulated commitment as per Article L. 225-38 of the French Commercial Code until the enactment of the decree n° 2019-1234 on 27 November 2019:

SEVERANCE PAYMENT DUE IN CASE OF TERMINATION OF THE MANDATE OF MR. PHILIPPE CHEVALLIER AT THE INITIATIVE OF THE COMPANY

- **Nature and terms and conditions:**

During its meeting of 9 March 2016, your Board of Directors approved the implementation to the benefit of Mr Philippe Chevallier, Chief Financial Officer of your Company since 5 June 2015, of a termination indemnity of 500,000 euros in case his dismissal would be initiated by your Company without any cause prior to the General Meeting to be held in 2020 and approving the financial statements of 2019.

The payment of such severance indemnity shall be conditional upon:

- the certification, without qualifications and within the legal deadlines, of the consolidated financial statements throughout his mandate;
- the achievement of an average Return On Capital Employed (ROCE) ratio (net of a normative tax expense) of at least 6% over the last three fiscal years.

  It should be noted that the said severance pay is not due in case of gross negligence or wilful misconduct.

  Such commitment was not executed in the course of 2019.

Paris la Défense, 31 March 2020

The Statutory Auditors

French original jointly signed by
Eric ROPERT and Laurent GENIN, KPMG audit partners
and Albert AÏDAN, Deloitte & Associés audit partner

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ADDITIONAL INFORMATION

8.1 MATERIAL CONTRACTS

To date, Assystem has not entered into any material contracts, other than those entered into in the ordinary course of its business, that would give rise to a significant obligation or commitment for the Group as a whole.

8.2 DISCLOSURE OF INTERESTS IN NON-CONSOLIDATED COMPANIES

At the date of this Universal Registration Document, Assystem held a 38.16% interest in Expleo Group (formerly Assystem Technologies Groupe) and a 5% interest in Framatome.

8.3 STATEMENT BY THE PERSONS RESPONSIBLE FOR THE 2019 UNIVERSAL REGISTRATION DOCUMENT

We hereby state that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

We further state that, to the best of our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the consolidated Group as a whole and that the management report as referred to in the cross-reference table on pages 196 et seq. of this Universal Registration Document presents a fair view of the business, results and financial position of the Company and its consolidated entities and contains a description of the main risks and uncertainties to which they are exposed.

We obtained a completion letter from the Statutory Auditors confirming that they have read the whole of the Universal Registration Document and verified the information about the Group's financial position and the accounts contained therein.

Courbevoie, 2 April 2020
French original signed by:

Dominique Louis

Chairman & CEO of Assystem SA

Philippe Chevallier

Person in charge of financial information

CFO & Deputy CEO

8.4 CROSS-REFERENCE TABLES

CROSS-REFERENCE TABLE FOR DISCLOSURES REQUIRED IN ACCORDANCE WITH ANNEX 1 OF EUROPEAN COMMISSION DELEGATED REGULATION (EU) 2019/980 OF 14 MARCH 2019 SUPPLEMENTING REGULATION (EU) 2017/1129 (THE PROSPECTUS REGULATION)

The following cross-reference table identifies the information contained in this Universal Registration Document that is required in accordance with Annex 2 of European Regulation (EU) 2017/1129.

Information		Chapter(s)	Page number(s)
8	Cash flows and capital resources		
8.1	Information concerning the issuer's capital resources	5.2.5, 5.2.6 Note 7	89 113-115
8.2	Sources, amounts and a description of the issuer's cash flows	5.2.4, 5.2.6 Note 8	88 115-119
8.3	Information on the issuer's borrowing requirements and funding structure	5.2.6 Note 8	115-119
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	N/A	-
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments	5.2.6 Note 8	115-119
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10	Trend information	5.1.4	83
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12	Administrative, management and supervisory bodies and senior management		
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12.2	Conflicts of interest of members of the Company's administrative, management or supervisory bodies and senior management	4.1.1.1	59-62
13	Compensation and benefits		
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13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	4.2	71-79
14	Board practices		
14.1	Expiry dates of current terms of office	4.1.1.1	59-62
14.2	Information about service contracts with the members of the administrative, management or supervisory bodies	4.2.1.2	62-69
14.3	Information about the issuer's Audit Committee and compensation committee	4.1.2.2	62-69
14.4	Statement of compliance with the applicable corporate governance regime(s)	Introduction to Chapter 4	58
14.5	Changes in governance (membership structure of the Board of Directors)	4.1.1.1 7.2 7.3	59-62 167-174 174-188
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16.1	Shareholders owning more than 5% of the issuer's share capital	6.2.8	162
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17	Related-party transactions	5.4 Note 21 5.2.6 Note 5.3.4	145 107
18	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
18.1	Historical financial information	5.4.3	147
18.2	Interim financial information	N/A	-
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18.6	Legal and arbitration proceedings	2.2.6	27
18.7	Significant change in the issuer's financial position	5.1.4	83

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19.1.3	Number, book value and par value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer	6.2.2	156
19.1.4	Amount of any convertible securities, exchangeable securities or securities with warrants	6.2.4	159
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19.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option	6.2.4	159
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In accordance with European Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 (the Prospectus Regulation), the following information is incorporated by reference into this Universal Registration Document:

- the consolidated financial statements for the year ended 31 December 2018, the accompanying notes, the Statutory Auditors' report and the related management report, presented from pages 92 to 132, 133 to 137 and 90 to 91 of the Registration Document filed with the AMF on 10 April 2018 under number 19-0302 (see: https://www.assystem.com/wp-content/uploads/2019/04/Registration-document-2018-Assystem.pdf);
- the consolidated financial statements for the year ended 31 December 2017, the accompanying notes, the Statutory Auditors' report and the related management report, presented from pages 91 to 136, 137 to 141 and 37 to 42 of the Registration Document filed with the AMF on 11 April 2018 under number D. 18-0316 (see: https://www.assystem.com/wp-content/uploads/2018/05/registration-document-2017_3490.pdf)

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CROSS-REFERENCE TABLE FOR INFORMATION REQUIRED IN THE MANAGEMENT REPORT

The following cross-reference table identifies the information contained in this Universal Registration Document that constitutes Assystem's management report, as required in accordance with the applicable laws and regulations and in particular Articles L. 225-100 et seq. of the French Commercial Code. Following the press release issued by the AMF on 23 March 2020, the introduction to Chapter 2 and Chapter 5, Section 5.1.4, "Outlook", have been updated subsequent to the 9 March 2020 Board of Directors' meeting at which the management report was approved.

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Topic		Chapter(s)	Page number(s)
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CROSS-REFERENCE TABLE FOR DISCLOSURES REQUIRED IN THE ANNUAL FINANCIAL REPORT

The following cross-reference table identifies the information contained in this Universal Registration Document that constitutes Assystem's annual financial report, as required in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222–3 of the AMF's General Regulations.

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