TALEND S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands)

	Notes	As of December 31, 2019	As of December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	12	$ 177,075	$ 162,855
Trade receivables, net	11	82,952	95,967
Contract acquisition costs	3	10,695	12,771
Other current assets	12	9,832	11,150
Total current assets		280,554	282,743
Non-current assets:			
Contract acquisition costs	3	22,050	26,889
Right-of-use assets	18	27,821	35,987
Property and equipment, net	9	5,348	9,273
Goodwill	10	49,744	50,294
Intangible assets, net	10	14,018	9,236
Other non-current assets	12	4,382	5,308
Total non-current assets		123,363	136,987
Total assets		$ 403,917	$ 419,730
LIABILITIES			
Current liabilities:			
Trade and other payables	12	$ 45,043	$ 48,778
Provisions	12	2,522	2,788
Contract liabilities - deferred revenue, current	3	142,616	160,215
Lease liabilities, current		5,047	4,798
Borrowings	17	227	—
Total current liabilities		195,455	216,579
Non-current liabilities:			
Deferred income taxes	8	768	345
Provisions	12	1,137	2,197
Contract liabilities - deferred revenue, non-current	3	17,807	12,590
Lease liabilities, non-current		24,252	33,251
Borrowings	17	130,490	148,129
Total non-current liabilities		174,454	196,512
Total liabilities		369,909	413,091
Commitments and contingencies (Note 19)			
EQUITY (DEFICIT)			
Share Capital	14	3,205	3,295
Share Premium		241,505	250,150
Foreign currency translation reserve		1,107	(2,941)
Share-based payments reserve		68,483	116,076
Other reserves	14	207	282
Accumulated losses		(280,499)	(360,223)
Total shareholders' equity (deficit)		34,008	6,639
Total liabilities and shareholders' equity (deficit)		$ 403,917	$ 419,730

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

TALEND S.A.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	Notes	Year Ended December 31, 2019	2020
Revenue			
Subscriptions		$ 217,047	$ 259,535
Professional services		30,814	27,936
Total revenue	13	247,861	287,471
Cost of revenue			
Subscriptions		32,256	38,108
Professional services		28,624	25,040
Total cost of revenue		60,880	63,148
Gross profit		186,981	224,323
Operating expenses			
Sales and marketing		138,015	160,552
Research and development		63,017	69,503
General and administrative		45,219	64,069
Total operating expenses		246,251	294,124
Loss from operations		(59,270)	(69,801)
Finance income	7	673	268
Finance expense	7	(4,667)	(9,618)
Loss before income tax expense		(63,264)	(79,151)
Income tax (expense) benefit	8	(149)	(573)
Net loss for the year		$ (63,413)	$ (79,724)
Net loss per share attributable to ordinary shareholders:			
Basic and diluted net loss per share	16	$ (2.07)	$ (2.53)
Weighted-average shares outstanding used to compute net loss per share attributable to ordinary shareholders:		30,563	31,535

The above consolidated statements of operations should be read in conjunction with the accompanying notes.

TALEND S.A.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

	Year Ended December 31,	
	2019	**2020**
Net loss	$ (63,413)	$ (79,724)
Other comprehensive gain (loss)		
Items that may be reclassified subsequently to profit and loss:		
Foreign currency translation adjustment	703	(4,048)
Total comprehensive loss	$ (62,710)	$ (83,772)

The above consolidated statements of comprehensive loss should be read in conjunction with the accompanying notes.

TALEND S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(in thousands, except share data)

	Share capital	Share premium	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Accumulated loss	Total equity
Balance at December 31, 2018	$ 3,128	$ 210,187	$ 404	$ 34,691	$ 138	$ (217,001)	$ 31,547
Adjustment on initial application of IFRS 16, net of tax	—	—	—	—	—	(85)	(85)
Restated balance at January 1, 2019	3,128	210,187	404	34,691	138	(217,086)	31,462
Comprehensive loss:							
Net loss for the year	—	—	—	—	—	(63,413)	(63,413)
Other comprehensive loss	—	—	703	—	—	—	703
Total comprehensive loss for the year	—	—	703	—	—	(63,413)	(62,710)
Equity component of 2024 Notes, net of issuance costs	—	20,921	—	—	—	—	20,921
Restricted stock units reserve	—	(69)	—	—	69	—	—
Shares issued from restricted stock unit vesting	27	(27)	—	—	—	—	—
Exercise of stock awards	38	5,767	—	—	—	—	5,805
Issuance of ordinary shares in connection with employee stock purchase plan	12	4,726	—	—	—	—	4,738
Stock-based compensation	—	—	—	33,792	—	—	33,792
Balance at December 31, 2019	3,205	241,505	1,107	68,483	207	(280,499)	34,008
Comprehensive loss:							
Net loss for the year	—	—	—	—	—	(79,724)	(79,724)
Other comprehensive loss	—	—	(4,048)	—	—	—	(4,048)
Total comprehensive loss for the year	—	—	(4,048)	—	—	(79,724)	(83,772)
Restricted stock units reserve	—	(75)	—	—	75	—	—
Shares issued from restricted stock unit vesting	48	(48)	—	—	—	—	—
Exercise of stock awards	29	4,133	—	—	—	—	4,162
Issuance of ordinary shares in connection with employee stock purchase plan	13	4,635	—	—	—	—	4,648
Stock-based compensation	—	—	—	47,593	—	—	47,593
Balance at December 31, 2020	$ 3,295	$ 250,150	$ (2,941)	$ 116,076	$ 282	$ (360,223)	$ 6,639

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

TALEND S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,	
	2019	**2020**
Cash flows from operating activities:		
Net loss for the year	$ (63,413)	(79,724)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation	2,779	3,421
Amortization of intangible assets	5,295	5,050
Amortization of debt discount and issuance costs	1,534	5,341
Amortization of contract acquisition costs	10,392	12,120
Amortization of right-of-use assets	4,658	5,579
Unrealized (gain) loss foreign exchange	617	446
Interest accrued	806	2,796
Interest on lease liabilities	1,198	1,184
Share-based compensation	33,792	47,593
Income tax for the year	149	573
Income tax paid	(377)	(30)
Interest paid	—	(2,659)
Changes in operating assets and liabilities:		
Trade receivables	(14,782)	(8,625)
Contract acquisition costs	(16,130)	(17,802)
Other assets	(1,616)	(1,551)
Trade and other payables	4,704	1,635
Provisions	2,089	201
Contract liabilities - deferred revenue	19,729	5,233
Operating leases	(875)	(243)
Net cash used in operating activities	(9,451)	(19,462)
Cash flows from investing activities:		
Acquisition of property and equipment	(2,191)	(6,828)
Net cash used in investing activities	(2,191)	(6,828)
Cash flows from financing activities:		
Proceeds from issuance of convertible senior notes, net of issuance costs	147,498	—
Proceeds from issuance of ordinary shares related to exercise of stock awards	5,805	4,162
Proceeds from issuance of ordinary shares related to employee stock purchase plan	4,738	4,648
Repayment of borrowings	(203)	(660)
Principal payments of lease liabilities	(5,066)	(6,447)
Net cash from financing activities	152,772	1,703
Net increase (decrease) in cash and cash equivalents	**141,130**	**(24,587)**
Cash and cash equivalents at beginning of the year	34,104	177,075
Effect of exchange rate changes on cash and cash equivalents	1,841	10,367
Cash and cash equivalents at end of year	**$ 177,075**	**162,855**

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Talend S.A. is a leader in data integration and data integrity. Talend's software platform, Talend Data Fabric, integrates data and applications in real-time across modern big data and cloud environments, as well as traditional systems, allowing organizations to develop a unified view of their business and customers. Talend S.A. is incorporated in France with its registered office located at 5-7, rue Salomon de Rothschild, 92150 Suresnes. Information on the Group's structure is provided in Note 21, "Group Information".

The accompanying consolidated financial statements of Talend S.A. (the "Company") and its subsidiaries (together, "Talend" or the "Group") were authorized for issue by the board of directors on May 5, 2021.

2. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and related interpretations issued by the IFRS Interpretations Committee.

Certain prior year financial information in the consolidated financial statements has been reclassified to conform with current year presentation. These reclassifications include (i) the amortization of contract acquisition costs and contract acquisition costs which are now presented as separate lines in the statement of cash flows for the year ended December 31, 2019 instead of being netted in Other assets, and (ii) unbilled revenue in the amount of $2.1 million between other assets and trade receivables in the consolidated statement of financial position as of December 31, 2019 with corresponding reclassifications of $1.2 million and $0.2 million between other assets and trade receivables lines in our consolidated statements of cash flows for the year ended December 31, 2019. These reclassifications had no impact on net loss, stockholders' equity, operating cash flows or total cash flows as previously reported.

(a) Recently adopted accounting standards

There have been no recent accounting pronouncements or changes in accounting pronouncements that would be significant, or potentially significant, to the Group.

(b) Accounting standards issued not yet adopted

There have been no recent accounting pronouncements or changes in accounting pronouncements that would be significant, or potentially significant, to the Group.

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments measured at fair value through profit or loss.

3. Summary of significant accounting policies

(a) Principles of consolidation

The consolidated financial statements include the consolidated statements of financial position, statements of operations, comprehensive loss, changes in equity (deficit) and cash flows of the Company and its consolidated subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. From the date that control ceases, these entities are no longer consolidated.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances have been eliminated in the consolidation process.

(b) Business combinations

Business combinations are accounted for using the acquisition method whereby acquired companies are included in the consolidated financial statements from their acquisition date. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred to the Group and liabilities assumed by the Group.

If contingent consideration is identified in an acquisition, it is recorded at fair value determined on the acquisition date using a discounted cash flow model. Subsequently, contingent consideration that is classified as equity is not re-measured while other contingent consideration is re-measured to fair value at each reporting period with gains or losses recorded in profit and loss. The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, which are incurred by the Group in connection with a business combination are expensed as incurred and recorded in general and administrative expenses.

The Group measures goodwill as the consideration transferred plus the recognized amount of any non-controlling interest in the acquired entity, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings. Goodwill is subsequently measured at cost less accumulated impairment losses. If the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred plus the amount of any non-controlling interests in the acquired entity, the excess is recognized in the consolidated statements of operations as a bargain purchase gain.

(c) Foreign currency

Functional and presentation currency

The functional currency for the Company is the Euro; however, these consolidated financial statements are presented in U.S. dollars, which is the Company's reporting currency. Assets and liabilities that are not denominated in the functional currency are remeasured into the functional currency with any related gain or loss recorded in earnings. The Company translates assets and liabilities of its non-U.S. dollar functional currency foreign operations into the U.S. dollar reporting currency at exchange rates in effect at the balance sheet date. The Company translates income and expense items of such foreign operations into the U.S. dollar reporting currency at average exchange rates for the period. Accumulated translation adjustments are reported in stockholders' equity, as a component of accumulated other comprehensive income (loss).

The Group determines the functional currency of each subsidiary in accordance with International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*, based on the currency of the primary economic environment in which each subsidiary operates, and items included in the financial statements of such entity are measured using that functional currency.

Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Foreign currency differences arising on translation are generally recognized in the consolidated statements of operations.

Long-term monetary assets held by the Company in a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the entity's net investment in a foreign operation. Accordingly, pursuant to IAS 21, exchange differences on these items are recorded in other comprehensive income until the investment's disposal or disqualification. Otherwise, exchange differences are recorded in the consolidated statements of operations.

Translation from functional to presentation currency

Assets and liabilities of the Company and its subsidiaries are translated from their functional currency into the U.S. dollar presentation currency at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates as long as they represent a reasonable approximation of the exchange rates at the dates of the relevant transactions. The average rate is determined by taking the average of the month-end closing rates, unless such method results in a material distortion.

The exchange differences arising on translation to the presentation currency for consolidation are recognized in other comprehensive income (loss) and accumulated in the foreign currency translation reserve.

Main exchange rates used for translation

The main exchange rates used for translation (one unit of each foreign currency converted to USD) are summarized in the following table:

	2019		2020	
	Closing rate	**Average rate**	**Closing rate**	**Average rate**
Euro (€)	1.1214	1.1198	1.2279	1.1416
Pound Sterling (£)	1.3159	1.2769	1.3659	1.2836
Japanese Yen	0.0092	0.0092	0.0097	0.0094
Chinese Yuan Renminbi (RMB)	0.1437	0.1448	0.1529	0.1450
Swiss Francs (CHF)	1.0328	1.0064	1.1347	1.0662
Canadian Dollar (CAD)	0.7673	0.7537	0.7843	0.7463
Australian Dollar (AUD)	0.7011	0.6955	0.7703	0.6905
Singapore Dollar (SGD)	0.7432	0.7331	0.7562	0.7252
Swedish Krona (SEK)	0.1072	0.1058	0.1224	0.1089
Indian Rupee (INR)	0.0140	0.0142	0.0136	0.0135

(d) Revenue recognition

The Group primarily derives revenue from contracts with customers from the sale of subscriptions and professional services engagements. The Group determines revenue recognition through the following steps:

i) **Identification of the contract, or contracts with a customer** – The Group enters into binding agreements with its customers that identify each party's rights regarding the services to be performed and are evidenced by order forms. The Group determines it has a contract with a customer when an order form has been fully executed and uses judgement in determining when collectability of consideration is probable. For this assessment, the Group considers the size of the transaction, the payment history, the nature of services provided and other relevant customer information.

ii) **Identification of the performance obligations in the contract –** When a contract is identified, the Group considers the terms of its subscription and all other relevant facts, including the economic substance of these transactions. Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the performance obligation is separately identifiable from other promises in the contract and a customer can benefit from it on its own or with other resources that are readily available to the customer. The Group applies judgment to determine whether multiple promised products and services in a contract should be accounted for separately.

iii) **Determination of the transaction price –** The transaction price is determined based on the consideration that the Group expects to be entitled in exchange for transferring products and services to the customer. The Group has determined that the order amount in the executed order forms constitutes the transaction price of the contract. Executed order forms do not include variable amounts, non-cash considerations or considerations that are paid to the customers. None of the Group's contracts contain a significant financing component.

iv) **Allocation of the transaction price to the performance obligations in the contract -** If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. For contracts that contain multiple performance obligations, the Group allocates the transaction price to each performance obligation based on a relative standalone selling price ("SSP") basis. The Group determined SSPs using the "expected cost plus a margin" approach as it maximizes the use of available observable inputs.

v) **Recognition of revenue when, or as, the Company satisfies a performance obligation -** The Group recognizes revenue when control over performance obligations transfers to customers, in amounts that reflect the consideration the Group expects to be entitled to in exchange for those services.

Subscriptions

Subscription revenue consists of fees earned from arrangements to provide customers with the right to use our commercial software either in a cloud-based infrastructure that we provide or installed within the customer's own environment through on-premise licenses. Our subscriptions include unspecified future updates, upgrades and technical product support. Premium support and access to our on-demand training portal is also available as a subscription. Subscription fees are based primarily on the number of users of our software and to a lesser extent data processing. Our subscription-based arrangements generally have a contractual term of one year to three years. We primarily sell annual contracts that are invoiced in advance for the full subscription term. We intend to continue enter to multi-year contracts with annual payment schedules. Subscription fees are generally non-refundable regardless of the actual use of the service. For the fiscal years ended December 31, 2019 and 2020, new subscription sales each had an average pre-billed duration of 1.1 years and 1.0 years, respectively. The Group sells subscriptions to customers either directly or indirectly through non-exclusive value-added channel partners and resellers (collectively, “resellers”). Resellers market, sell and provide the Company’s products and support services to end-users and the Group does not have the ability or the contractual right to establish pricing between resellers and end users.

Term-based deployed licenses

Subscriptions for term-based deployed licenses include both a right to use the Group’s underlying intellectual property (“IP”) and a right to receive post-contract customer support (“PCS”) during the subscription term. PCS is comprised of maintenance services (including updates and upgrades to the software on a when-and-if available basis) and support services (including technical product support such as diagnosis and resolution of implementation and customer success services such as case reviews, integration job design and operational performance metrics). The IP rights and the rights to receive PCS represent two separate performance obligations as they are not highly interdependent or interrelated and they can be transferred independently.

The Group does not have observable SSP for its licenses or its PCS as they are not sold separately. The Group developed a model to estimate relative SSP for each performance obligation using a “expected cost plus a margin” approach. This model uses observable datapoints to develop the main assumptions including the estimated useful life of the IP and appropriate margins. Based on this approach, the Group allocated approximately 15% of the transaction price to the IP performance obligation and allocated approximately 85% of the transaction price to the PCS performance obligation during each of years ended December 31, 2019 and 2020.

Revenue from the rights to use our IP is recognized upon delivery of the license key to the customer. Revenue from the rights to receive post-contract support is a stand-ready obligation and therefore is recognized ratably over the subscription term. Revenue through resellers follows the same revenue recognition pattern as applied for post-contract support.

Cloud-based

Subscriptions for our cloud-based offerings represent the right of access to our software as a service for which revenue is recognized ratably over the term of the arrangement.

Royalty-based

Additionally, the Group occasionally enters into arrangements to embed its proprietary software or other generated code into a third-party application or service in exchange for sales- or usage-based royalties. As licensees do not generally report and pay royalties owed for sales/usage in any given quarter until after conclusion of that quarter, the Group recognizes royalty revenue based on estimates of licensees’ sales/usage in the quarter, with a booking each quarter and a royalty estimate true up recorded in the following quarter as a separate booking. Amounts recognized from these royalty agreements are presented with Subscription Revenue in the Consolidated Statements of Operations and have not been material to date.

Professional services

Professional services revenue consists of fees earned for consulting engagements related to the deployment and configuration of our product offering, training customers and associated expenses. Consulting engagements include implementation support to our customers during subscription setup and consist of time-based arrangements usually paid in advance, on delivery or at the completion of the contract. Training revenue results from contracts to provide educational services to customers and partners regarding the use of the Group’s technologies. The standalone selling price of a consulting or training service component is based on historical pricing for the component or a similar component that has been sold on a standalone basis.

Revenue from professional services is recognized as services are rendered.

Contracts with multiple performance obligations

The Group may enter into transactions that contain multiple performance obligations where a subscription and consulting and training services are sold together. For these contracts, the Group accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis.

Contract acquisition costs

Contract acquisition costs consist of sales commissions earned by our sales force to initially obtain a contract, and upon renewal of such contracts. Sales commissions to initially obtain a contract are considered incremental and recoverable costs and are deferred and then amortized on a straight-line basis over the period of benefit determined to be five years, which includes the contractual and expected renewal periods. The Group recognizes the incremental costs to initially obtain a contract with a customer on the statement of financial position if the Group expects the benefit of those costs to be longer than one year. Amortization expense is included in sales and marketing expenses in the accompanying consolidated statements of operations.

Sales commissions paid upon renewal are substantially lower than the commissions paid to initially obtain the contract and are expensed in the period the contract is renewed. The majority of customer contracts are annual and as a result these renewals commissions are paid on an annual basis.

Contract liabilities - deferred revenue

Deferred revenue predominantly consists of the portion of the subscription price allocated to support and maintenance services that will be recognized ratably over the remaining subscription term, and prepaid but unused consulting and training services.

Disclosures Related to our Contracts with Customers

Timing may differ between the satisfaction of performance obligations and the invoicing and collection of amounts related to the Group’s contracts with customers. The Group may record assets for amounts related to performance obligations that are satisfied but not yet billed and/or collected. These assets would be recorded as contract assets rather than receivables when receipt of the consideration is conditional on something other than the passage of time.

Liabilities are recorded for amounts that are collected in advance of the satisfaction of performance obligations. These liabilities are classified as current and non-current contract liabilities – deferred revenue in the statement of financial position.

Under IFRS 15, contracts with customers are reflected in the consolidated balance sheets. The following table reflects the Group’s trade receivables, contract acquisition costs and contract liabilities – deferred revenue (in thousands).

- Trade receivables, net represents amounts billed to customers in accordance with contract terms for which payment has not yet been received. It is presented net of the allowance for doubtful accounts as part of current assets.

- Contract assets – are unbilled revenue, represent timing difference between the satisfaction of performance obligations by the Group and the invoicing and collection of related amounts.
- Contract acquisition costs include deferred sales commissions.
- Contract liabilities – deferred revenue represents amounts received as consideration from the Group's customers in advance of performance on a portion of the contract as of the end of the reporting period. Under IFRS 15, this balance represents our contract liabilities.

	As of December 31,	
	2019	**2020**
Assets		
Trade receivables, net	$ 80,896	$ 95,967
Contract assets - unbilled revenue	2,095	2,828
Contract acquisition costs - current	10,695	12,771
Contract acquisition costs - non-current	22,050	26,889
Total contract assets	$ 115,736	$ 138,455
Liabilities		
Contract liabilities - deferred revenue - current	$ 142,616	$ 160,215
Contract liabilities - deferred revenue - non-current	17,807	12,590
Total contract liabilities	$ 160,423	$ 172,805

Significant changes in the contract acquisition costs and the contract liabilities balances during the period are as follows (in thousands):

	Contract assets - unbilled revenue	Contract acquisition costs	Contract liabilities - deferred revenue
Balances at December 31, 2018	$ 941	$ 27,027	$ 141,113
Transferred to trade receivables from unbilled revenue	(849)	—	—
Increase due to new unbilled revenue	2,003	—	—
Additional contract acquisition costs deferred	—	15,924	—
Amortization of deferred contract acquisition costs	—	(10,206)	—
Performance obligations satisfied during the period that were included in the contract liability balance at the beginning of the period	—	—	(116,534)
Increases due to invoicing prior to satisfaction of performance obligations, net of amounts recognized as revenue during the period	—	—	135,844
Balance at December 31, 2019	2,095	32,745	160,423
Transferred to trade receivables from unbilled revenue	(1,994)	—	—
Increase due to new unbilled revenue	2,727	—	—
Additional contract acquisition costs deferred	—	19,062	—
Amortization of deferred contract acquisition costs	—	(12,147)	—
Performance obligations satisfied during the period that were included in the contract liability balance at the beginning of the period	—	—	(142,420)
Increases due to invoicing prior to satisfaction of performance obligations, net of amounts recognized as revenue during the period	—	—	154,802
Balance at December 31, 2020	$ 2,828	$ 39,660	$ 172,805

As of December 31, 2020, $12.8 million of the Group's contract acquisition costs are expected to be amortized within the next 12 months and therefore are included in current assets. The remaining amount of Group's contract acquisition costs are included in non-current assets. There were no impairments of assets related to Group's contract acquisition costs during the year-ended December 31, 2020.

Remaining Performance Obligations

The Group's contracts with customers include amounts allocated to performance obligations that will be satisfied at a later date of $206.9 million and $250.1 million as of December 31, 2019 and 2020, respectively. As of December 31, 2020, $185.4 million of deferred revenue and backlog is expected to be recognized from remaining performance obligations over the next 12 months, and approximately $64.7 million thereafter. Revenue from remaining performance obligations for professional services contracts as of December 31, 2020 was not material.

Disaggregation of Revenues

See Note 13 “Revenue by geographic region” for details regarding disclosures on the disaggregation of revenues.

(e) Financial instrument

(i) Non-derivative financial assets

The Group has the following non-derivative financial assets: deposits, trade receivables and certain other receivables and cash and cash equivalents.

The Group initially recognizes non-derivative financial assets on the date that they are originated.

Loans and receivables

Loans and receivables are comprised of deposits, trade receivables and certain other receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

A valuation allowance for trade receivables is recognized if the recoverable amount is less than the carrying amount. Amounts deemed uncollectible are recorded to this allowance in the consolidated statements of financial position with an offsetting decrease in related deferred revenue and a charge to general and administrative expense in the consolidated statement of operations. During the year ended December 31, 2019, the Company performed its assessment of the collectability of trade receivables, resulting in a decrease in the allowance for trade receivables of $1.3 million to reflect current collectability trends.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks, restricted cash and highly liquid deposits with original maturities of less than three months that are readily convertible into a known amount of cash and are subject to insignificant risk of changes in value. Restricted cash is related to letters of credit for facility lease arrangements.

(ii) Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: borrowings and trade and other payables. The Group initially recognizes non-derivative financial liabilities on the date that they are originated. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Advances for research and development projects that were obtained from Bpifrance are reimbursable should the project be successful (see Note 17 “Borrowings”). These interest free rate advances are initially accounted for a fair value by discounting future cash flows at a market interest rate. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statements of operations.

(iii) Classification of financial instruments within the fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses observable market data to the extent possible. IFRS 13, *Fair Value Measurement*, requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: observable quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
- Level 2: inputs other than quoted prices (other than level 1) in active markets, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs that are supported by little or no market data, and may require significant management judgment or estimation.

The fair value measurement level within the fair value hierarchy for a particular asset or liability is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments not measured at fair value on the Company's consolidated statement of financial position, but which require disclosure of their fair values include: cash and cash equivalents, trade receivables and certain other receivables, deposits, accounts payable and certain other payables and debt. The fair values of these financial instruments, other than the 2024 Notes, are deemed to approximate their carrying amount.

The fair values of cash and cash equivalents, accounts receivable and certain other receivables, deposits, accounts payable and certain other payables are categorized as Level 1. The fair value of debt was categorized as Level 2 and was estimated based on a discounted cash flow method using a market interest rate for similar debt. As of December 31, 2020, the fair value of the 2024 Notes was $153.8 million.

There has been no transfer between levels of the fair value hierarchy during the years ended December 31, 2019 or 2020.

(f) Share capital

Ordinary shares

Ordinary shares are classified as equity.

(g) Property and equipment

Property and equipment are stated at net of accumulated depreciation. Historical cost includes expenditures directly attributable to the acquisition of the assets. Purchased software that is an integral part of the functionality of the related equipment is capitalized as part of that equipment. Depreciation is recognized in the consolidated statements of operations on a straight-line basis over the estimated useful lives of the assets, or in the case of leasehold improvements and certain leased equipment, over the lease term if shorter, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for each asset class are as follows:

Computer equipment and software	3 years
Fixtures and fittings	3 to 5 years
Leasehold improvements	Shorter or lease term or useful life

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

(h) Intangible assets

Intangible assets include acquired customer relationships and acquired developed technology.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Intangibles acquired through a business combination are recognized separately from goodwill, initially at fair value on the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

i. Customer relationships

Customer relationships generate business revenue that will likely be repeated by the acquired customers. The customer relationships are amortized over the expected useful life of such relationships.

The initial valuation methodology used is the cost approach, which is based on the amount that currently would be required to replace the service capacity of an asset, often referred to as current replacement cost. The value associated with the acquired customers was based on the estimated cost associated with recreating the customer base from the beginning.

ii. Acquired developed technology

Developed technology includes a web application programming interface platform using proprietary software. The initial valuation methodology used is the cost approach, which is based on the amount that currently would be required to replace the service capacity of an asset, often referred to as current replacement cost. The value associated with the acquired developed technology was based on the estimated cost associated with recreating the developed technology from the beginning.

iii. Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. All of our intangible assets have finite useful lives and amortization is recognized in the consolidated statements of operations on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of operations in the expense category, consistent with the function of the intangible asset.

The estimated useful lives for each intangible asset class are as follows:

Customer relationships	2 years
Acquired developed technology	5 years

Amortization methods, useful lives and residual values are reviewed at each year end and adjusted if appropriate.

(i) Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in the consolidated statements of operations and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statements of operations. Impairment losses on financial assets are presented under “finance expense”, similar to the presentation under IAS 39, and not presented separately in the statement of operations due to materiality considerations.

Non-financial assets

Goodwill, intangible assets and property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each year end. Goodwill is tested for impairment at each year end during the fourth quarter and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGUs or the group of CGUs that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

An operating segment is defined as a component of an entity for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker. The Group's chief operating decision maker is the Group's chief executive officer, who reviews operating results to make decisions about allocating resources and assessing performance based on consolidated financial information. The Group's chief decision maker reviews operating results at an entity wide level and accordingly the Group has determined it operates as one operating segment with a single CGU.

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized in the consolidated statements of operations. Impairment losses are allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amounts of the other tangible and intangible assets in the CGU on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value net of disposal costs is determined using the share prices of the Company at the date the test is performed.

The recoverable amount of the CGU as at December 31, 2019 and 2020 was estimated based on the market capitalization of the Company, which is significantly higher than the carrying amount.

(j) Convertible notes

We account for the issued 1.75% Convertible Senior Notes due September 1, 2024 (the “2024 Notes”) as separate liability and equity components in accordance with IAS 32. The carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument that does not have an associated conversion feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the convertible notes as a whole. This difference represents a debt discount that is amortized to interest expense over the term of the 2024 Notes using the effective interest rate method. The equity component is not remeasured as long as it continues to meet the conditions for equity classification. We allocated issuance costs incurred to the liability and equity components. Issuance costs attributable to the liability component are being amortized to expense over the respective term of the 2024 Notes and issuance costs attributable to the equity component were netted with the respective equity component in Additional paid-in capital.

(k) Employee benefits plan

i. *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the consolidated statements of operations in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value. For the fiscal years ended December 31, 2019 and 2020, the Group made contributions of $3.9 million and $6.0 million to various contribution plans.

The Group's obligations under these plans are recorded in "Trade and other payables". Material defined contribution plans are operated in the following countries: France, the United States, the United Kingdom and Germany.

ii. *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and recorded in “Provisions”.

iii. *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv. *Share-based payments*

Employees, executives and board members of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments which are considered equity-settled transactions. The cost of equity-settled transactions are recognized, together with a corresponding increase in equity, by reference to the fair value determined at the grant date of the share-based awards, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the beneficiary becomes fully entitled to the award (the “vesting date”). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has lapsed and the Group's best estimate of the number of equity instruments that will ultimately vest. Share-based awards are expensed based on a graded vesting method, over the vesting period as the awards vest in tranches over the vesting period.

Determining the fair value of the share-based awards at the grant date requires judgment. The Company calculated the fair value of each option award on the grant date using a Black-Scholes option pricing model. The Black-Scholes model requires the estimation of a number of variables, including, the expected volatility, expected term, risk-free interest rate and dividend yield.

The estimation of share awards that will ultimately vest requires judgment, especially awards with non-market performance conditions, and to the extent actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period the estimates are revised. Actual results, and future changes in estimates, may differ substantially from current estimates.

If an equity-settled award is cancelled, as a result of forfeiture when the vesting conditions are not satisfied, it is treated as if it had been forfeited on the date of cancellation, and any expense previously recognized for unvested shares is immediately reversed.

(l) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(m) Government assistance

Government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognized in the consolidated statements of operations as a reduction of research and development expense on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate the Group for the cost of an asset are recognized in the consolidated statements of operations on a systematic basis over the useful life of the asset.

The Research Tax Credit (*Crédit d'Impôt Recherche*, or "CIR") is a French tax incentive to stimulate research and development conducted in France. Entities that demonstrate that their research expenditures meet the required CIR criteria are able to offset the income tax to be paid. If taxes due are not sufficient to cover the full amount of tax credit at the end of the three year period, the difference is repaid in cash to the entity by the authorities. The CIR is calculated based on the claimed volume of eligible research and development expenditures.

(n) Finance income and finance costs

Finance income and finance costs mainly include:

- interest income recognized in the consolidated statements of operations, using the effective interest method;
- Interest expense on borrowings that are recognized in the consolidated statements of operations, using the effective interest method;
- interest expense on convertible senior notes that are recognized in the consolidated statements of operations, using the effective interest method; and
- net foreign exchange gains and losses.

(o) Income tax

Income tax expense comprises current income tax payable and deferred tax. Current tax and deferred tax are recognized in the consolidated statements of operations except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax assets and liabilities for the current and prior periods are comprised of amounts expected to be recovered from or paid to taxation authorities. The calculation of current tax is based on tax rates and tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets, related to unused tax losses, tax credits and deductible temporary differences, are generally recognized to the extent that it is probable that taxable profits will be available against which those unused tax losses, tax credits and deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(p) Research and development expenses

Research and development expenses include all direct costs, primarily headcount costs for Group personnel and outside consultants, related to the development of new software products and significant updates and enhancements to existing software products. Research costs are expensed as incurred.

Amortization expense of acquired developed technology is also included in research and development expense.

Costs incurred from development of computer software are capitalized only when all the following criteria are met:

- technical feasibility necessary for the completion of the development project;
- intention to complete the project and use or sell it;
- ability to use or sell the intangible asset;
- future economic benefits are probable;
- technical and financial resources are available to complete the project; and
- expenditures attributable to the project can be measured reliably.

The Group has assessed the conditions for recognition of an internally generated asset from software development activities and concluded that up to now all criteria were not fulfilled; therefore, no research and development costs have been capitalized.

(q) Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

4. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant areas that require management judgment and estimates relate to:

1. recognition of revenue;
2. valuation and recognition of acquired intangible assets as part of business combinations;
3. measurement of share-based compensation;
4. capitalization of research and development costs, and;
5. recognition of deferred tax assets.

The accounting policies for these areas are discussed elsewhere in these Consolidated Financial Statements.

5. Financial risk management

The main financial risks arising from the Company's activities are foreign currency risk, credit risk and cash flow liquidity risk. The interest rate risk is considered low. Management reviews and agrees policies for managing each of these risks which are summarized below. The Company's board of directors is made aware of and reviews management's risk assessments prior to entering into significant transactions.

Foreign currency risk

The Group is exposed to currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro, but also includes U.S. Dollars (USD), RMB and Pound Sterling.

Cash deposits are primarily in financial institutions in France and the United States. In addition, cash for monthly operating costs of international operations are deposited in banks outside France.

Given that a significant proportion of revenue and costs are matched at a local level in local currency, management did not consider the risk in 2020 or prior comparative periods to be significant. If there was a mismatch of these costs and revenue within any particular currency and if there was a significant strengthening or weakening of one of the primary currencies in which the Group operates, there is a reporting and currency risk that would need to be mitigated with transfer of cash deposits between countries.

The effect of a hypothetical 10% change in the Euro exchange rates applicable to our business would have had an approximate impact on our net loss of $3.9 million and $7.3 million for the years ended December 31, 2019 and 2020. We have not entered into derivatives or hedging transactions as our exposure to foreign currency exchange rates has not been material to our historical operating results, but we may do so in the future if our exposure to foreign currency should become more significant.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As of December 31, 2020, no customer represented 10% or more of the Company's gross trade receivables.

The Group does not consider that any of its customers or geographic areas present a significant risk of non-collection that could materially impact the financial position of the Group as a whole.

The Group primarily places its cash and cash equivalents with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The Group evaluated its liquidity risk based on its cash inflows and outflows for the next 12 months and concluded it to be low, as the Group has sufficient cash as of December 31, 2020 to meet its short-term and long-term cash outflows. The Group's long-term commitments under operating leases, representing its undiscounted future cash outflows, are disclosed in Note 19, “Commitments and Contingencies”.

The following tables present the Group's financial liabilities based on their contractual maturities as of December 31, 2020 (amounts disclosed in the tables are the contractual, undiscounted cash flows):

	Payments Due By Period				
	Total	**Less than 1 year**	**1 - 3 Years**	**3 - 5 Years**	**More than 5 Years**
Debt obligations (1)	$ 171,599	$ —	$ —	$ 171,599	$ —
Interest obligations (2)	12,012	3,003	6,006	3,003	—
Operating lease obligations (3)	43,295	6,777	12,975	11,183	12,360
Purchase obligations (4)	12,674	6,058	6,616	—	—
Total	**$ 239,580**	**$ 15,838**	**$ 25,597**	**$ 185,785**	**$ 12,360**

(1) Debt obligations include the principal balance of the 2024 Notes, reflected in the payment period in the table above based on the contractual maturity assuming no conversion.

(2) These amounts represent the estimated aggregate interest obligations for our outstanding 2024 Notes that are payable in cash.

(3) These amounts represent the future undiscounted non-cancelable minimum lease payments under operating leases for our offices.

(4) These amounts represent the future minimum payments under non-cancelable purchase commitments of IT-related services.

6. Expenses by nature

Results from operating activities included the following expenses (in thousands):

	Year Ended December 31,	
	2019	2020
Depreciation:		
Computer equipment	$ 1,770	$ 2,460
Fixtures and fittings	288	313
Leasehold improvements	721	648
Total depreciation	2,779	3,421
Amortization:		
Customer relationships	1,650	1,375
Developed technology	3,645	3,675
IPR&D technology	—	—
Total amortization	$ 5,295	$ 5,050
Total depreciation and amortization	$ 8,074	$ 8,471

Employee benefits expense:		
Salaries and wages	$ 113,002	$ 128,931
Variable compensation	29,816	37,413
Payroll taxes	24,368	27,245
Share-based payment expense	33,792	47,593
Defined contribution plan expense	3,713	5,528
Total employee benefits expense	$ 204,691	$ 246,710

7. Finance income and finance expense

The major components of finance income and finance expense for the years ended December 31, 2019 and 2020 are as follows (in thousands):

	Year Ended December 31,	
	2019	2020
Finance income		
Interest income on bank deposits	$ 673	$ 268
Finance income	$ 673	$ 268

Finance costs		
Interest expense on loans	$ (4)	$ (13)
Interest expense on convertible debt	(2,339)	(8,136)
Interest on lease liabilities	(1,198)	(1,184)
Net foreign exchange loss	(1,126)	(285)
Finance expense	$ (4,667)	$ (9,618)
Net finance incomes (loss)	$ (3,994)	$ (9,350)

8. Income tax

The major components of income tax expense for the years ended December 31, 2019 and 2020 are as follows (in thousands):

	Year Ended December 31,	
	2019	2020
Current income tax:		
Current income tax charge	$ (20)	$ (877)
Adjustment for prior year	(129)	304
Income tax (expense) benefit	$ (149)	$ (573)

The following table provides a reconciliation of the income tax expense calculated at the French statutory tax rate to the income tax expense (in thousands).

	Year Ended December 31,	
	2019	2020
Loss before income tax expense	$ (63,264)	(79,151)
Expected tax benefit at France's statutory income tax rate of 28.00% in fiscal year 2020 (31.00% in fiscal year 2019)	19,612	22,123
Effect of different tax rates of subsidiaries operating in countries other than France	(2,670)	(170)
Non-deductible expenses	(2,443)	(1,732)
Effective change in tax rates	(692)	170
Share-based compensation	2,543	2,057
Change in valuation allowance	(17,539)	(24,349)
Other items, net	1,040	1,328
Income tax (expense) benefit	$ (149)	(573)

At December 31, 2019 and 2020 the Group had the following deferred tax balances (in thousands):

	Year Ended December 31,	
	2019	2020
Recognized deferred tax liability	$ (16,858)	$ (16,999)
Recognized deferred tax asset	16,090	16,654
Total Recognized deferred tax liability, net	$ (768)	$ (345)
Unrecognized deferred tax assets	$ 65,731	$ 96,502

As of December 31, 2020, the Group had approximately $2.7 million in total unrecognized tax benefits related to R&D expenses. If recognized, only $0.2 million of the $2.7 million of unrecognized tax benefits as of December 31, 2020 would decrease the effective tax rate in the period in which each of the benefits is recognized. The remainder $2.5 million have no impact on the effective tax rate as the full tax benefit is not recognised due to utilisation limits.

	Year Ended December 31,	
	2019	2020
Tax losses	$ 74,278	$ 103,457
Other temporary differences	7,543	9,664
Total deferred tax assets	$ 81,821	$ 113,121

Deferred tax assets have not been recognized for the above unrecognized tax losses since the Group has been in a loss position for the past three years and it is not probable that the Group will generate future taxable income in the near term against which to utilize the temporary differences.

Gross tax losses expire as follows (in thousands):

	Year Ended December 31, 2019	Year Ended December 31, 2020
From 1 to 5 years	$ 689	$ 1,568
Thereafter	44,417	46,079
Indefinite	245,373	355,252
Total gross tax losses	$ 290,479	$ 402,899

9. Property and equipment

Property and equipment as of December 31, 2020 included the following (in thousands):

Cost	Computer Equipment	Fixtures and Fittings	Leasehold Improvements	Total
Balance at January 1, 2020	$ 8,586	$ 2,311	$ 3,860	$ 14,757
Additions	3,580	1,129	2,001	6,710
Disposals	(197)	(89)	(1,249)	(1,535)
Effect of change in exchange rates	537	146	306	989
Balance at December 31, 2020	12,506	3,497	4,918	20,921
Depreciation				
Balance at January 1, 2020	5,762	1,305	2,342	9,409
Depreciation expense	2,460	313	648	3,421
Disposals	(197)	(70)	(1,249)	(1,516)
Effect of change in exchange rates	126	102	106	334
Balance at December 31, 2020	$ 8,151	$ 1,650	$ 1,847	$ 11,648
Carrying amount at December 31, 2020	$ 4,355	$ 1,847	$ 3,071	$ 9,273

Property and equipment as of December 31, 2019 included the following (in thousands):

Cost	Computer Equipment	Fixtures and Fittings	Leasehold Improvements	Total
Balance at January 1, 2019	$ 6,777	$ 1,925	$ 4,823	$ 13,525
Additions	1,986	436	443	2,865
Disposals	(127)	(41)	(1,384)	(1,552)
Effect of change in exchange rates	(50)	(9)	(22)	(81)
Balance at December 31, 2019	8,586	2,311	3,860	14,757
Depreciation				
Balance at January 1, 2019	4,201	996	1,993	7,190
Depreciation expense	1,770	288	721	2,779
Disposals	(126)	(37)	(1,316)	(1,479)
Effect of change in exchange rates	(83)	58	944	919
Balance at December 31, 2019	$ 5,762	$ 1,305	$ 2,342	$ 9,409
Carrying amount at December 31, 2019	$ 2,824	$ 1,006	$ 1,518	$ 5,348

Depreciation expense related to property and equipment during the years ended December 31, 2019 and 2020 was $2.8 million and $3.4 million, respectively.

10. Goodwill and intangible assets

Goodwill

Goodwill consisted of the following (in thousands):

	Year Ended December 31,	
	2019	2020
Goodwill, beginning of period	$ 49,659	$ 49,744
Additions from acquisitions	—	—
Measurement period adjustment	200	—
Effect of change in exchange rates	(115)	550
Goodwill, end of period	$ 49,744	$ 50,294

The additions to goodwill during 2019 relate to the purchase of Stitch, Inc.

Intangible assets

Intangible assets as of December 31, 2020 included the following (in thousands):

Cost		**Customer relationships**		**Developed technology**		**Total**
Balance at January 1, 2020	$	4,975	$	19,555	$	24,530
Additions		—		—		—
Disposals		—		—		—
Effect of change in exchange rates		159		774		933
Balance at December 31, 2020		5,134		20,329		25,463
Amortization						
Balance at January 1, 2020		3,600		6,912		10,512
Amortization expense		1,375		3,672		5,047
Disposals		—		—		—
Effect of change in exchange rates		159		509		668
Balance at December 31, 2020	$	5,134	$	11,093	$	16,227
Carrying amount at December 31, 2020	$	—	$	9,236	$	9,236

Intangible assets as of December 31, 2019, included the following (in thousands):

Cost		**Customer relationships**		**Developed technology**		**Total**
Balance at January 1, 2019	$	5,009	$	20,087	$	25,096
Additions		—		—		—
Disposals		—		—		—
Effect of change in exchange rates		(34)		(532)		(566)
Balance at December 31, 2019		4,975		19,555		24,530
Amortization						
Balance at January 1, 2019		1,984		3,692		5,676
Amortization expense		1,650		3,645		5,295
Disposals		—		—		—
Effect of change in exchange rates		(34)		(425)		(459)
Balance at December 31, 2019	$	3,600	$	6,912	$	10,512
Carrying amount at December 31, 2019	$	1,375	$	12,643	$	14,018

11. Trade receivables

The Group's trade receivables consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Trade receivables	$ 81,939	$ 94,383
Unbilled revenue	2,095	2,828
Trade receivables, gross	84,034	97,211
Less: Allowance for doubtful accounts	(1,082)	(1,244)
Trade receivables, net	$ 82,952	$ 95,967

The movements in the allowance for doubtful accounts of receivables were as follows (in thousands):

	As of December 31,	
	2019	2020
Allowance for doubtful accounts, beginning of period	$ 1,882	$ 1,082
Additions/(Reductions) (1)	(808)	875
Write-offs (2)	(8)	(753)
Effect of change in exchange rates	16	40
Allowance for doubtful accounts, end of period	$ 1,082	$ 1,244

(1) The net decrease of $0.8 million in 2019 includes the impact of the updated estimate of the loss from uncollectible receivables resulting from observed collectability trends.

(2) During fiscal year 2020, the Company wrote off previously reserved aged accounts receivable as part of the Company's annual assessment.

As of December 31, 2019 and 2020, the aging analysis of net trade receivables, excluding unbilled revenue, that were not impaired is as follows (in thousands):

	As of December 31,	
	2019	2020
Neither past due nor impaired	$ 67,922	$ 84,246
Past due but not impaired <30 days	7,295	5,728
Past due but not impaired 30 - 90 days	3,427	2,452
Past due but not impaired > 90 days	2,252	713
Total	$ 80,896	$ 93,139

At December 31, 2019 and 2020 the past due balances totaled 16% and 10%, respectively, of the total net trade receivable (net of allowance for doubtful accounts). The related balances are not considered to be impaired.

12. Other balance sheet accounts

Cash and cash equivalents

Cash and cash equivalents consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Cash at banks	$ 120,842	$ 56,357
Cash equivalents	56,233	106,498
Total cash and cash equivalents	$ 177,075	$ 162,855

As of December 31, 2020, cash equivalents consist of money market securities, bank deposits and restricted cash. As of December 31, 2020, the total cash and cash equivalents denominated in currencies other than the U.S. Dollar amount to $116.7 million, including $89.0 million denominated in euros. As of December 31, 2019 and 2020, restricted cash was $0.5 million and $0.5 million, respectively.

Other current and non-current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Research tax credit	$ 581	$ 742
Prepaid expenses	8,178	9,351
Other assets	1,073	1,057
Other current assets	**$ 9,832**	**$ 11,150**

Other assets primarily relate to advancements from vendors and various deposits.

Other non-current assets consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Research tax credit	$ 1,848	$ 2,088
Deposits	1,169	1,485
Other non-current assets	1,365	1,735
Other non-current assets	**$ 4,382**	**$ 5,308**

Trade and other payables

Trade and other payables consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Trade payables	$ 4,439	$ 2,760
Employee related and social debts	24,201	30,371
VAT payable	6,238	7,889
Other taxes	502	885
Other current liabilities	9,663	6,873
Trade and other payables	**$ 45,043**	**$ 48,778**

Other current liabilities primarily relate to trade accruals incurred in the ordinary course of business.

Provisions

	Employee litigation	Post-employment benefits	Total
Balance at December 31, 2018	$ 409	$ 950	$ 1,359
Contingencies made during the year	3,012	187	3,199
Amounts used during the year	(779)	—	(779)
Amounts reversed during the period	(120)	—	(120)
Balance at December 31, 2019	2,522	1,137	3,659
Contingencies made during the year	1,010	1,060	2,070
Amounts used during the period	(569)	—	(569)
Amounts reversed during the period	(175)	—	(175)
Balance at December 31, 2020	$ 2,788	$ 2,197	$ 4,985

The provision balance includes severance provisions and estimated legal expenses for disputes with former employees, estimated employer tax expenses on employee stock awards, as well as post-employment benefits for the lump sum retirement indemnity required to be paid to French employees.

The French post-employment benefits provision has been estimated at December 31, 2020 using a [1.57%] discount rate, a [3.0%] future salary growth as well as turnover assumptions depending on seniority and mortality tables based on published statistics. There are no plan assets associated with the French post-employment benefit provision.

13. Revenues by geographic region

Disaggregation of Revenue

We sell our subscription contracts and related services in several primary geographical markets. The following table sets forth the Group's total revenue by region for the periods indicated (in thousands). The revenues by geographic region were determined based on the country where the sale took place.

	Year Ended December 31,	
	2019	2020
Americas	$ 115,736	$ 131,561
EMEA	108,664	123,599
Asia Pacific	23,461	32,311
Total revenue	$ 247,861	$ 287,471

Revenues from the Company’s country of domicile, based on sales that took place in France, totaled $36.3 million and $44.9 million for the years ended December 31, 2019 and 2020, respectively.

14. Share capital and reserves

(a) Movements in the periods presented

As of December 31, 2020, there were 32,010,526 ordinary shares outstanding, each with a nominal value of €0.08.

(b) Ordinary shares

Shares have a nominal value of €0.08. Each ordinary share is entitled to one vote.

(c) Other reserves

French law requires that the holders of warrants be protected against an increase in the cost of the nominal value of the Company’s shares. A specific non-distributable reserve was set up for this purpose in June 2011 and can be used only on exercise of the warrants outstanding at that date. This reserve must remain outstanding until the last related warrant has expired. In compliance with French law, should the related warrants be exercised, the holder would pay the exercise price agreed at grant date and the balance would be borne by the Company. Upon the closing of the IPO, the rights under the non-distributable reserve were cancelled and the reserve balance of $8.4 million was transferred from “other reserves” to “share premium” at that date.

The Group’s board of directors, acting upon delegation of the shareholders' meetings held to date, has granted restricted stock units or free shares (*actions gratuites*, under French law), to employees and officers of the Group. The Company created a specific restricted reserve account in connection with the issuance of granted restricted stock units or free shares equal to €229,505 as of December 31, 2020. Upon vesting of each of the restricted stock units or free shares pursuant to our free share plans, a new share of the Company will be issued to the relevant beneficiary and, simultaneously, an amount equal to €0.08 will be withdrawn from the above reserve to increase the share capital of the Company.

15. Share-based payment plans

In April 2017, the Company adopted the 2017 Stock Option Plan (the “2017 Plan”), primarily for the purpose of granting stock options to employees and employee warrants BSPCE (“*bons de souscription de parts de créateur d'entreprise” or “*employee warrants (BSPCE)”) to employees who are French tax residents. In August 2019, the Company adopted the 2019 Free Share Plan, primarily for the purpose of granting Restricted Stock Units (“RSUs”) to employees. In June 2019, the Company’s shareholders also delegated authority to the Company’s board of directors to grant warrants (“*bons de souscription d'actions*” or “warrants (BSA)”) to the Company’s directors and consultants. In June 2020, the Company's shareholders delegated authority to the Company's board of directors to grant stock options and RSUs to employees, and warrants (BSA) to the company's directors and consultants, superseding and replacing the previous delegations of authority to grant equity awards. Consequently, in August 2020, the Company adopted the 2020 Free Share Plan (the "Free Share Plan") and the 2020 Stock Option Plan (the "Stock Option Plan"). The Free Share Plan provides for the grant of RSUs to the Company's employees and employees of any company or group in which the Company holds, directly or indirectly, 10% of the share capital or voting rights as of the date of the grant. The Stock Option Plan provides for the grant of stock options to the Company's employees and chairman of the Company's board of directors. The Company no longer grants employee warrants (BSPCE) as the Company no longer meets the eligibility criteria for granting BSPCEs.

As of December 31, 2020, there were 1,736,381 ordinary shares available for future grants of stock options, RSUs and warrants (BSA) under the Company’s share pool reserve.

Stock options and warrants

Most of our stock options and employee warrants (BSPCE) vest over four years, with 25% on the one year anniversary of the grant and 1/16th on a quarterly basis thereafter. Options have a contractual life of ten years and generally individuals must continue to provide services to the Company in order to vest. Employee warrants (BSPCE) are a specific type of option to acquire ordinary shares available to qualifying companies in France that meet certain criteria. Otherwise, employee warrants (BSPCE) function in the same manner as stock options.

In general, warrants (BSA) vest quarterly over a one year period. In addition to any exercise price payable by a holder upon the exercise of any warrants (BSA), pursuant to the relevant shareholders' delegation to the board, such warrants need to be subscribed for a price at least equal to 5% of the volume weighted average price of the last five trading sessions on the Nasdaq Global Market preceding the date of allocation of the BSA by the board of directors. Otherwise, warrants (BSA) function in the same manner as stock options.

The following table summarizes the activity and related weighted-average exercise prices (“WAEP”) and weighted-average remaining contractual term (“WACT”) of the Company’s stock options and warrants for the year ended December 31, 2020 (in thousands, except exercise price per option):

	Stock options outstanding	BSPCE warrants outstanding	BSA warrants outstanding	WAEP per share	WACT (in years)	Aggregate intrinsic value
Balance as of December 31, 2018	1,707	229	131	$ 13.75	5.6	$ 48,708
Granted	—	—	79	46.95		
Exercised	(351)	(66)	—	13.33		
Forfeited	(141)	(8)	—	19.63		
Balance as of December 31, 2019	1,215	155	210	$ 14.61	5.1	$ 40,809
Granted	857	—	41	35.58		
Exercised	(273)	(44)	—	13.80		
Forfeited	(73)	(3)	(16)	35.30		
Balance as of December 31, 2020	1,726	108	235	$ 23.97	6.1	$ 31,789
Vested and expected to vest as of December 31, 2020	1,576	107	234	$ 23.09	5.8	$ 31,247
Exercisable as of December 31, 2020	1,023	106	209	$ 17.59	4.4	$ 29,648

The total intrinsic values of stock options and warrants exercised during the periods ended December 31, 2019 and 2020 was $12.2 million and $8.2 million, respectively.

The weighted-average grant date fair value of stock options and warrants granted during the years ended December 31, 2019 and 2020 was $14.69 and $14.91 per share, respectively. The total grant date fair value of stock options and warrants vested during years ended December 31, 2019 and 2020 was $2.6 million and $3.0 million, respectively.

Restricted Stock Units (RSUs)

RSUs vest upon either performance-based or service-based criteria.

Performance-based RSUs are typically granted such that they vest upon the achievement of certain software subscription sales targets, during a specified performance period, subject to the satisfaction of certain time-based service criteria. Compensation expense from these awards is equal to the fair market value of the Company's ordinary shares on the date of grant and is recognized over the remaining service period based on the probable outcome of achievement of the financial metrics used in the specific grant's performance criteria. Management's estimate of the number of shares expected to vest is based on the anticipated achievement of the specified non-market performance criteria, which are assessed at each reporting period.

Service-based RSUs generally vest over a four-year period. The Company requires a two-year holding period from grant date and generally allows employees to elect between the following vesting schedules:

Non-executives RSUs

1) 25% vesting on the one-year anniversary of the grant vesting commencement date and equal quarterly installments thereafter; or

2) 50% vesting on the two-year anniversary of the grant vesting commencement date and equal quarterly installments thereafter.

Executive RSUs

1) 20% vesting on the one-year anniversary of the grant vesting commencement date, quarterly installments of 5% of the award for the next four quarters, and then equal quarterly installments of 7.5% of the award thereafter (or in the case of new hire awards, 25% vesting on the one-year anniversary of the grant vesting commencement date and equal quarterly installments thereafter); or

2) 40% vesting on the two-year anniversary of the grant vesting commencement date and equal quarterly installments thereafter (or in the case of new hire awards, 50% vesting on the two-year anniversary of the grant vesting commencement date and equal quarterly installments thereafter).

A summary of RSU activity under all of the plans as of December 31, 2020 is presented in the following table (in thousands, except the weighted-average grant date fair value per RSU):

	Number of service-based RSUs	Number of performance-based RSUs	Weighted-average grant date fair value
Balance as of December 31, 2018	1,210	301	$ 44.90
Granted	1,287	351	44.06
Vested and released	(273)	(37)	37.75
Forfeited	(300)	(231)	43.75
Balance as of December 31, 2019	1,924	384	$ 44.96
Granted	1,360	411	39.69
Vested and released	(482)	(45)	50.24
Forfeited	(414)	(270)	44.60
Balance as of December 31, 2020	2,388	480	$ 43.26
Expected to vest as of December 31, 2020	1,970	368	$ 43.61

The tax benefits realized by the Company in connection with vested and released RSUs for the years-ended December 31, 2019 and 2020 was $13.2 million and $20.1 million, respectively.

The weighted-average grant date fair value of RSUs granted during the years ended December 31, 2019 and 2020 was $44.06 and $39.69 per share, respectively. The total grant date fair value of RSUs vested during years ended December 31, 2019 and 2020 was $11.7 million and $26.5 million, respectively.

Employee Stock Purchase Plan

In the fourth quarter of 2017, the Company established the 2017 Employee Stock Purchase Plan (the "ESPP"), which was amended and restated in August 2020. In June 2020, the Company's shareholders authorized 550,000 shares for future issuance under the ESPP, which supersedes and replaces the shares previously available for issuance under ESPP. The ESPP allows the Company's employees to purchase ADSs, with each ADS representing one ordinary share of the Company, at a discount through payroll deductions up to 15% of their eligible compensation, subject to any plan limitations. The ESPP has two consecutive offering periods of approximately six months in length during the year and the purchase price of the ADSs is 85% of the lower of the fair value of the Company's ADSs on the first trading day or on the last trading day of the offering period. Under applicable tax rules, an employee may purchase no more than $25,000 worth of ADSs, valued at the start of the offering period, under the ESPP in any calendar year. A total of 473,930 ADSs are available for sale under the ESPP as of December 31, 2020. As of December 31, 2020, $2.2 million has been withheld on behalf of employees for a future purchase under the ESPP and is recorded in accrued compensation benefits.

As of December 31, 2020, 329,900 shares of common stock had been purchased under the ESPP. The Company selected the Black-Scholes option-pricing model as the method for determining the estimated fair value for the Company's ESPP.

Fair value of stock options, warrants and ESPP

Determining the fair value of the share-based compensation at the grant date requires judgment. The Company calculated the fair value of each instrument on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the expected volatility, expected term, risk-free interest rate and dividend yield.

Exercise price

The exercise price of the Company's stock awards is based on the fair market value of our ordinary shares.

Risk-free interest rate

The risk-free interest rate represents the implied yield currently available on zero-coupon government issued securities over the expected term of the option.

Expected term

The Company determines the expected term based on the average period the share options are expected to remain outstanding.

Expected Volatility

The Company considered historical volatility of the Company's share price since the IPO and also considered the historical volatility of similar entities following a comparable period in their lives.

Expected Dividend yield

The Company has never declared or paid any cash dividends and it does not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company uses an expected dividend yield of zero.

The Company estimated the following assumptions for the calculation of the fair value of the share options and warrants:

	Year Ended December 31,	
	2019	2020
Stock options and warrants		
Weighted average fair value of underlying shares	$ 46.97	32.09
Weighted average expected volatility	42.4 %	50.9 %
Weighted average risk-free interest rate	2.14 %	0.34 %
Weighted average expected term (in years)	2.78	4.65
Dividend yield	— %	— %
ESPP		
Weighted average fair value of underlying shares	$ 41.49	38.00
Weighted average expected volatility	40.2 %	47.7 %
Weighted average risk-free interest rate	2.20 %	0.82 %
Weighted average expected term (in years)	0.50	0.50
Dividend yield	— %	— %

Compensation expense

Cost of revenue and operating expenses include employee share-based compensation expense as follows (in thousands):

	Year Ended December 31,	
	2019	2020
Cost of revenue - subscriptions	$ 3,115	3,516
Cost of revenue - professional services	2,132	1,902
Sales and marketing	10,227	14,367
Research and development	10,353	9,846
General and administrative	7,965	17,962
Total share-based compensation expense	33,792	47,593

As of December 31, 2020, the Company had $56.1 million of total unrecognized share-based compensation expense relating to unvested stock options, employee warrants (BSPCE), warrants (BSA) and RSUs, which are expected to be recognized over a weighted-average period of approximately 1.7 years. As of December 31, 2020, total unrecognized share-based compensation expense related to ESPP was $0.3 million which will be amortized over a weighted-average period of approximately 0.2 years.

16. Net loss per share

Basic net income (loss) per share is computed by dividing net income (loss) for the period by the weighted-average number of shares outstanding during the period. In periods of net income, diluted net income per share is computed by dividing net income for the period by the basic weighted-average number of shares plus any dilutive potential ordinary shares outstanding during the period. As the Company was in a loss position for the years ended December 31, 2019, 2018 and

2017, the diluted loss per share is equal to basic loss per share because of the effects of potentially dilutive shares, which include shares from share-based awards and convertible senior notes, were anti-dilutive given the Company’s net loss.

During 2019, the Company issued 1.75% Convertible Senior Notes due September 1, 2024 (see Note 17, “Borrowings”, for more details). Since the Company expects to settle the principal amount of the outstanding 2024 Notes in a combination of cash and shares, the Company uses the if-converted method for calculating any potential dilutive effect of the conversion spread on the diluted net income per ordinary share when the average market price of the Company’s ordinary shares, each represented by an ADS, for a given period exceeds the initial conversion price of €51.75 per share.

The net loss and weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows (in thousands, except per share data):

	Year Ended December 31,	
	2019	2020
Numerator (basic and diluted):		
Net loss	$ (63,413)	$ (79,724)
Denominator (basic and diluted):		
Weighted-average ordinary shares outstanding	30,563	31,535
Basic and diluted net loss per share	$ (2.07)	$ (2.53)

The following shares subject to outstanding awards were excluded from the computation of diluted net loss per share for the periods presented as their effect would have been antidilutive (in thousands):

	Year Ended December 31,	
	2019	2020
Stock options to purchase ordinary shares	1,215	1,726
Employee warrants (BSPCE) to purchase ordinary shares	155	108
Warrants (BSA) to purchase ordinary shares	210	235
Restricted stock units	2,308	2,868
Employee stock purchase plan	83	89
Convertible senior notes	2,700	2,700

17. Borrowings

The principal balances of outstanding borrowings under lines of credit with banks and financial institutions were as follows (in thousands):

	As of December 31,	
	2019	2020
Convertible notes	$ 130,045	$ 148,129
BPIfrance	665	—
Other	7	—
Total	$ 130,717	$ 148,129
Current borrowings	$ 227	$ —
Non-current borrowings	$ 130,490	$ 148,129

As part of the Restlet SAS acquisition in 2016, the Company assumed debt totaling $1.2 million related to advances for research and development projects from Bpifrance to Restlet SAS. The debt was repaid in full during the second quarter of the year ended December 31, 2020, and therefore, no amounts are outstanding as of December 31, 2020.

Convertible Senior Notes due in 2024

In September 2019, the Company issued an aggregate principal amount of €125.0 million of the 2024 Notes and an additional 12% or €14.8 million, pursuant to the partial exercise of the option to purchase additional 2024 Notes granted to the initial purchasers, in a private placement, pursuant to an exemption from the registration requirements afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), to qualified institutional buyers (as defined in Rule144A promulgated under the Securities Act). The net proceeds from the issuance, after deducting initial purchaser discounts and debt issuance costs of €6.0 million, were €133.8 million.

The 2024 Notes mature on September 1, 2024, unless earlier repurchased, redeemed or converted, and bear interest at a fixed rate of 1.75% per year payable semi-annually on March 1 and September 1 of each year, beginning on March 1, 2020.

Each €1,000 of principal amount of the 2024 Notes will initially be convertible, subject to adjustment upon the occurrence of specified events, into 19.3234 ADSs, corresponding to 19.3234 of the Company’s ordinary shares per €1,000 principal amount of the 2024 Notes as of the date hereof, which initial conversion rate is equivalent to an initial conversion price of approximately €51.75 per ADS calculated on the basis of the closing price of the Company’s ADSs of $38.72 and an euro to U.S. dollar exchange rate of €1 to $1.1036 on the pricing date of the 2024 Notes. The conversion rate for the 2024 Notes will be subject to adjustment in some events, but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events set forth in the indenture for the 2024 Notes that occur prior to maturity or if the Company calls any 2024 Notes for redemption, the Company will increase the conversion rate of the 2024 Notes for a holder who elects to convert its 2024 Notes in connection with such a corporate event or during the related redemption period in certain circumstances under the indenture for the 2024 Notes. Holders may convert all or any portion of their 2024 Notes at their option at any time on or after 9:00 a.m. (New York City time) on the business day immediately preceding June 1, 2024 until 9:00 a.m. (New York City time) on the second business day immediately preceding the maturity date of the 2024

Notes. Further, holders may convert their 2024 Notes at their option prior to 9:00 a.m. (New York City time) on the business day immediately preceding June 1, 2024, only under the following circumstances:

- During, but prior to 9:00 a.m. (New York City time) on the last business day of, any calendar quarter commencing after the calendar quarter ending on December 31, 2019 (and only during such calendar quarter), if the last reported sale price of the ADSs (converted into euros in the manner specified in the indenture for the 2024 Notes) for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the 2024 Notes on each applicable trading day;

- During the six business day period prior to 9:00 a.m. (New York City time) on the last business day of such period after any five consecutive trading day period (the "measurement period") in which the trading price per €1,000 principal amount of the 2024 Notes, for each trading day of the measurement period, was less than 98% of the product of the last reported sale price of our ADSs (converted into euros at 4:00 p.m. New York City time on such trading day) and the conversion rate for the 2024 Notes on each such trading day;

- If the Company calls any or all of the 2024 Notes for redemption, at any time prior to 9:00 a.m. (New York City time) on the second business day immediately preceding the redemption date; and

- upon the occurrence of certain specified corporate events.

Upon conversion, the Company will pay or deliver, as the case may be, a cash amount in euros, ADSs or a combination of a cash amount in euros and ADSs, at the Company's election, to the holder. If the Company satisfies its conversion obligation solely in cash or through payment and delivery, as the case may be, of a combination of cash and ADSs, the amount of cash and ADSs, if any, due upon conversion will be based on a settlement amount equal to the sum of the daily conversion values for each of the 40 consecutive trading days during the related observation period (in the manner set forth in the indenture for the 2024 Notes).

The Company may redeem for cash all, but not less than all, of the 2024 Notes at its option upon certain changes in the tax law of any relevant taxing jurisdiction at a redemption price equal to 100% of the principal amount of 2024 Notes to be redeemed, plus accrued and unpaid interest, including any additional amounts, to, but excluding, the redemption date.

Other than in connection with a tax redemption, the Company may not redeem the 2024 Notes prior to September 6, 2022. The Company may redeem for cash all or any portion of the 2024 Notes, at its option, on or after September 6, 2022 if the last reported sale price of its ADSs (converted into euros in the manner specified in the indenture for the 2024 Notes) has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on and including the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date.

If the Company undergoes a "fundamental change" (as defined in the indenture for the 2024 Notes) prior to the maturity date, holders may require the Company to repurchase for cash all or any portion of their 2024 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2024 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The 2024 Notes are senior unsecured obligations and rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 2024 Notes, and equal in right of payment to any of the

Company's existing and future liabilities that are not so subordinated. The 2024 Notes are effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of the Company's current or future subsidiaries.

In accounting for the issuance of the 2024 Notes, the Company separated the 2024 Notes into liability and equity components. The carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument that does not have an associated convertible feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the 2024 Notes as a whole. The difference between the principal amount of the 2024 Notes and the liability component, equal to $21.7 million (the "debt discount"), was initially recorded in Additional paid-in capital. The equity component will not be remeasured as long as it continues to meet the conditions for equity classification. The debt discount is amortized to interest expense at an effective interest rate of 5.00% over the contractual term of the 2024 Notes. The interest rate was based on the interest rates of similar debt instrument that does not have an associated convertible feature and was determined with the assistance of a third party valuation specialist.

The Company allocated $0.9 million of debt issuance costs to the equity component and the remaining debt issuance costs of $5.7 million are amortized to interest expense under the effective interest rate method over the contractual term of the 2024 Notes.

As of December 31, 2020, none of the conditions permitting the holders of the 2024 Notes to early convert had been met. Therefore, the 2024 Notes were classified as long-term debt for such period.

The net carrying amount of the 2024 Notes was as follows as of December 31, 2019 and 2020 (in thousands):

	As of December 31,	
	2019	2020
Principal	$ 156,716	$ 171,599
Unamortized debt discount	(21,227)	(18,704)
Unamortized debt issuance costs	(5,443)	(4,766)
Net carrying amount	$ 130,046	$ 148,129

The net carrying amount of the equity component of the 2024 Notes was as follows as of December 31, 2019 and 2020 (in thousands):

	As of December 31,	
	2019	2020
Gross amount	$ 21,866	$ 21,866
Allocated debt issuance costs	(945)	(945)
Net carrying amount	$ 20,921	$ 20,921

Interest expense related to the 2024 Notes was as follows during the years ended December 31, 2019 and 2020 (in thousands):

	Year Ended December 31,	
	2019	2020
Contractual interest expense	$ 806	$ 2,796
Amortization of debt discount	1,185	4,226
Amortization of issuance costs	349	1,115
Total	$ 2,340	$ 8,137

18. Leases

The Group has adopted IFRS 16 utilizing the optional modified retrospective transition method, as of the effective date of ASC 842, which for the Group is January 1, 2019, with a cumulative-effect adjustment to equity. As a result, the Company recognized $27.1 million of operating lease assets and $27.7 million of operating lease liabilities.

The Group determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the Company's consolidated statement of financial position.

ROU assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Group's leases do not provide an implicit rate, the Group uses an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Group's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Group has lease agreements with lease and non-lease components, which are generally accounted for separately, but the Group has made an accounting policy decision to account for the lease and non-lease components as a single lease component. The Group also made an accounting policy decision not to record ROU assets or lease liabilities for leases with terms of 12 months or less. The Group has operating leases for corporate offices, none of which have variable lease payments.

The movements in ROU assets during the year ended December 31, 2019 and 2020 were as follows (in thousands):

	As of December 31,	
	2019	2020
ROU assets, beginning of period	$ 27,138	$ 27,821
Additions to right-of-use assets, net*	5,341	13,745
Amortization charge for the year	(4,658)	(5,579)
ROU assets, end of period	$ 27,821	$ 35,987

*The net additions to right-of-use assets include adjustments related to early terminations to the lease contracts and the impact of fluctuations in foreign exchange currency rates.

The movements in lease liabilities during the year ended December 31, 2019 and 2020 were as follows (in thousands):

	As of December 31,	
	2019	2020
Lease liabilities, beginning of period	$ 27,712	$ 29,299
Additions to lease liabilities, net*	5,455	14,013
Interest on lease liabilities	1,198	1,184
Lease payments	(5,066)	(6,447)
Lease liabilities, end of period	$ 29,299	$ 38,049

*The net additions to lease liabilities include adjustments related to early terminations to the lease contracts and the impact of fluctuations in foreign exchange currency rates.

The components of lease expense for the year ended December 31, 2019 and 2020 were as follows (in thousands):

	Year Ended December 31,	
	2019	2020
Interest on lease liabilities	$ 1,198	$ 1,184
Amortization of right-of-use assets	(4,658)	(5,579)
Total lease expense	$ (3,460)	$ (4,395)

Other information related to our operating leases is as follows (dollars in thousands):

	Year Ended December 31,	
	2019	2020
Weighted average remaining lease term for operating leases	6.3 years	6.5 years
Weighted average discount rate	5.4%	4.2%

Maturities of lease liabilities as of December 31, 2020 were as follows (in thousands):

	Amount
2021	$ 6,777
2022	7,300
2023	5,675
2024	5,568
2025	5,615
Thereafter	12,360
Total lease payments	43,295
Less imputed interest	(5,246)
Total	$ 38,049

19. Commitments and contingencies

Capital commitments

As of December 31, 2020, the Company had no capital commitments to acquire fixed or other long-lived assets.

Contingencies

From time to time, the Group has been, and may become, involved in claims or legal proceedings which arise in the ordinary course of its business. The Group provides for a reserve against such third-party contingent liabilities when a loss is probable and can be reasonably estimated. The Group currently believes that resolving the claims and legal proceedings pending as of December 31, 2019, will neither individually nor in the aggregate have a material adverse effect on the results of operations, cash flow or the financial position of the Group.

Purchase obligations

As of December 31, 2020, the Company had purchase obligations related to purchase commitments of IT-related services totaling $12.7 million.

Guarantees

As of December 31, 2020, the Company had agreed to guarantee several business contract obligations totaling $2.2 million

20. Related party transactions

There is no single investor who has the ability to control the Company.

As part of the Restlet SAS acquisition, the Company assumed debt totaling $1.2 million related to advances for research and development projects from Bpifrance to Restlet SAS. The debt was repaid in fullaid during the second quarter of the year ended December 31, 2020. There are no other material related party transactions that require disclosure.

In addition to their salaries, the Company also provides non-cash benefits to directors and executive officers, and contributes to a defined contribution plan on their behalf. Non-cash benefits include the Group's share option program, restricted stock units, Restricted shares and warrants (BSA) (See Note 15).

Key management personnel compensation was comprised of (in thousands):

	Year Ended December 31,	
	2019	**2020**
Wages and bonus	$ 2,809	$ 6,383
Other remuneration	83	117
Post-employment benefits	103	106
Share-based payments	8,365	16,093
Total	$ 11,360	$ 22,699

21. Group information

As of December 31, 2020, the Group's subsidiaries, all of which are wholly-owned, are as follows:

Name	Country of Incorporation
Talend, Inc.	United States of America
Talend USA, Inc.	United States of America
Talend Limited	United Kingdom
Talend Beijing Co. Ltd.	China
Talend KK	Japan
Talend Limited (Ireland)	Ireland
Talend GmbH Switzerland	Switzerland
Talend GmbH Germany	Germany
Talend Limited (Canada)	Canada
Talend Australia Pty	Australia
Talend Singapore Pte. Ltd.	Singapore
Talend Netherlands BV	Netherlands
Talend Italy S.R.L.	Italy
Talend Sweden AB	Sweden
Talend Spain, SL	Spain
Talend Data Integration Services Private Limited	India
Stitch, Inc.	United States of America
Glainraim Holdings S.à.r.l.	Luxembourg

22. Subsequent events

On March 10, 2021, the Company entered into a Memorandum of Understanding (the "MoU") with Tahoe Bidco (Cayman), LLC, ("Parent") an affiliate of Thoma Bravo, L.P. Pursuant to the MoU, Parent is seeking to acquire all of the issued and outstanding ordinary shares, nominal value of €0.08 per share, of the Company for $66.00 per ordinary share in cash. The offer values the Company at approximately $2.4 billion. Should Tahoe Bidco effectively acquire all the outstanding ordinary shares of the Company, Tahoe Bidco would offer to the bonds' holders an early repayment of the bonds at the conditions stipulated in the initial bond agreement.