

Annual report 2020



Digital transition: Afnic and .fr
supporting VSEs/SMEs

June 2021

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Editorial



Godefroy Beauvallet, Afnic President

2020 was marked by the health and economic crisis and its effects in terms of the organisation of work, progress on projects and financial and operating results.

This sudden and profound crisis, which at the time of writing has still not ended, and the effects of which risk being felt for many more months or even years, has also acted as an accelerator in some respects and, like all crises, has proven very revealing.

It has accelerated the rate of realisation and understanding of the importance of digitisation, particularly among VSEs, SMEs

and craftpersons, who together with young people have represented the core target of the .fr domain for the last three years. Afnic played its role to the full in this growing appropriation, with the first communication campaign on the .fr domain and with its actions in support of the FranceNum initiative. The results for 2020 bear testimony to the trust placed in the .fr domain, the iconic TLD of the French Internet, with 14% more creations than in 2019.

And they were revealing as to the strengths and weaknesses of organisations including Afnic.

As regards weaknesses, and despite the considerable efforts made by the Afnic teams and by the members of the association, it proved difficult to maintain strong ties between Afnic and its ecosystem. There were no physical events, with the exception of our general meeting in July and the Board seminar in September, and trade fairs, talks and international professional meetings had to be cancelled too. This inevitably had a negative impact on our ability to strengthen our ties with actors in the digital world, to make ourselves known and recognised and to find new partners, clients and prospects in an environment in which online meetings in many cases had only day-to-day matters on the agenda.

This relational deficit is only too real. It will need to be dealt with by means of extra efforts in the coming months. For a multi-actor organisation like Afnic, with a structural role of skills transfer as well as a collaborative role, this deficit was painful, and we must not become accustomed to it but on the contrary prepare for the rebound.

Fortunately, the crisis also revealed some strengths. Firstly, the processes, the quality approach, the disaster recovery plans (DRPs) and business continuity plans (BCPs) drawn up and maintained within Afnic came fully into their own. They allowed us to adapt our organisation and our actions almost immediately, without jeopardising any of our main

priorities. Some things that may have seemed cumbersome and rigid before the crisis proved on the contrary aids to agility and responsiveness.

For Afnic, which was certified as a training body at the beginning of 2021, and which is simultaneously preparing for the renewal of the public service concession and the switch-over of the .fr TLD to a new infrastructure, while continuing to invest heavily in ESO (Essential Service Operator) compliance actions, 2020 was a year of preparation for 2021, in exceptional circumstances, but with results that were nonetheless satisfactory all in all. While the financial results have to be seen with the appropriate degree of caution in this atypical period, it is nonetheless the case that the good results allowed us, from mid-2020, to undertake significant promotional actions for the .fr domain, and support businesses and in-house projects (essentially Avenir and ESO) which enabled us in some cases to accelerate positive trends and in others to limit contrary effects.

Afnic demonstrated in 2020 that it has the means to overcome the challenges posed by the health and economic crisis and to accompany all its stakeholders through this period.

Godefroy Beauvallet,
Afnic President

1. 2020 highlights

March

Afnic joined the CNIL network Educnum to strengthen its contribution to education on matters digital for young people.

April

In the context of the COVID-19 crisis, the Afnic Foundation for Digital Solidarity financed new projects aimed at reducing the digital divide.

April - May

Afnic continued to accompany businesses in their digital transition throughout lockdown: the Foliweb webinars, workshops to support VSEs and SMEs in their digital transition, saw participation rates soar by 343%.

June

Foliweb rewarded VSEs' digital transition with the creation of the "Digital VSE of the Year" award.

July

Afnic launched a major season of debates on the fight against online abuse

September

The .fr domain marked its 34th anniversary.

October

Afnic held a webinar on the theme: "How to create and test your DNS-over-TLS and DNS-over-HTTPS (DoT/DoH) resolver"

Following this online workshop, in association with its Scientific Council, Afnic published the resources presented on this occasion (video, tutorial and the open software app developed by Afnic for testing the compliance of implementation of DoT and DoH resolvers).

November

Afnic, launched the Je passe au numérique ("I'm going digital") initiative in support of VSEs and SMEs developing their online presence.

December

The .FR domain reached its highest level ever, with a market share of 38%, up 7% compared with 2020.

2. The Association

In 2020, with the pandemic, the Association had to adapt its meeting formats, but all the association's governance bodies met with the normal frequency and the deliberations, decisions and elections were just as effective as in other years.

The **Board of Trustees** met five times, three times remotely and twice face-to-face. It was able to hold its strategic seminar in physical form in September 2020. This seminar was mainly devoted to the directional guidelines that Afnic would like to see put in place for the .fr TLD for the next five years in the context of the re-opening to competition of the registry, for which the government is expected to put out a call for tender in 2021.

Afnic's Board of Trustees, notably through its committees which met regularly by remote means, worked on assessing the association's risks, monitoring its finances and drawing up its budgets, as well as the analysis of markets and commitments and amendments to registry policies.

The **Users' and Registrars' consultative committees** had to meet remotely in March and November. Needless to say, Afnic members and employees alike missed the conviviality and the informal exchanges that usually form such an important part of these events. Nonetheless, members' participation was undiminished and they were able to give their opinions and to accompany Afnic on subjects such as Afnic as a training body, the launch of the VSE packs recommended by the .fr TLD, refinements to be made to the naming policy concerning IDN versions of the .gouv.fr TLD, and the simplified calculation of expiry dates following a transfer operation.

Afnic also held the **Afnic Forum for a trustworthy Internet**, which allowed members and the wider community to acquire information and to debate during four meetings on online abuse.

The **International College** did not hold its annual meeting in June, but remained very active. In accordance with its roadmap, working groups continued their work on three projects: the African Domain Names Observatory (ONDA); the Process of Automating ccTLD Registries (PAR) and National Digital Identity (I2N). The members also met remotely at the end of August.

The Ordinary General Meeting had to be postponed and unfortunately it was not possible to hold the annual Afnic dinner. Members were able to participate remotely or in person at the **Ordinary General Meeting of 1 July 2020**.

Since the users' and registrars' colleges were each called upon to appoint a representative to the Board of Trustees at this meeting, the association allowed members exchanges with their candidates at a specific meeting, and campaign videos were also posted in the members' space. Lastly, as well as voting in person, online voting was also opened for a week in order to allow a greater number to express their views. These changes, made necessary by the health situation, proved very successful with members and will therefore be retained for 2021.

Two new trustees were appointed with effect from 1 July 2020:

- ISOC France, represented by Sébastien Bachollet;
- and GANDI, represented by Arnaud Franquinet.



Arnaud Franquinet (Gandi), Nicolas Chagny et Sébastien Bachollet (ISOC France)

3. The .fr domain

The .fr domain had an atypical year in 2020 in view of the circumstances, with a sharp increase in create operations (+14%) and a 7% growth in stock.

These changes are the consequences of the acceleration of the digital transformation, which led numerous VSEs and SMEs to develop their online activities.

Afnic was thus able to accompany the clear resurgence of digital transformation needs and to bring about a perception of the .fr TLD in this period as a safe, accessible, close-at-hand solution suited to the general public. We have not lost ground to proclaimed winners of this crisis, the major platforms. On the contrary, the latest figures published on e-commerce, coupled with our own .fr scorecard show the opposite: solutions based on autonomy around domain names have gained in market share, and the .fr domain has gained more than its rivals (.com and others, .net, .org, etc.) and European counterparts.

The majority of these enterprises opted to register .fr domain names, leading to an increase in the TLD's market share, which stood at 38% at the end of 2020.

The renewal rate also improved, reaching 83.9%. The age structure of .fr domain names has contributed so far to the TLD's stability, but also to its growth.

At 31 December 2020, the .fr TLD had 3,670,372 domain names in stock, compared with 3,428,951 at 31 December 2019.

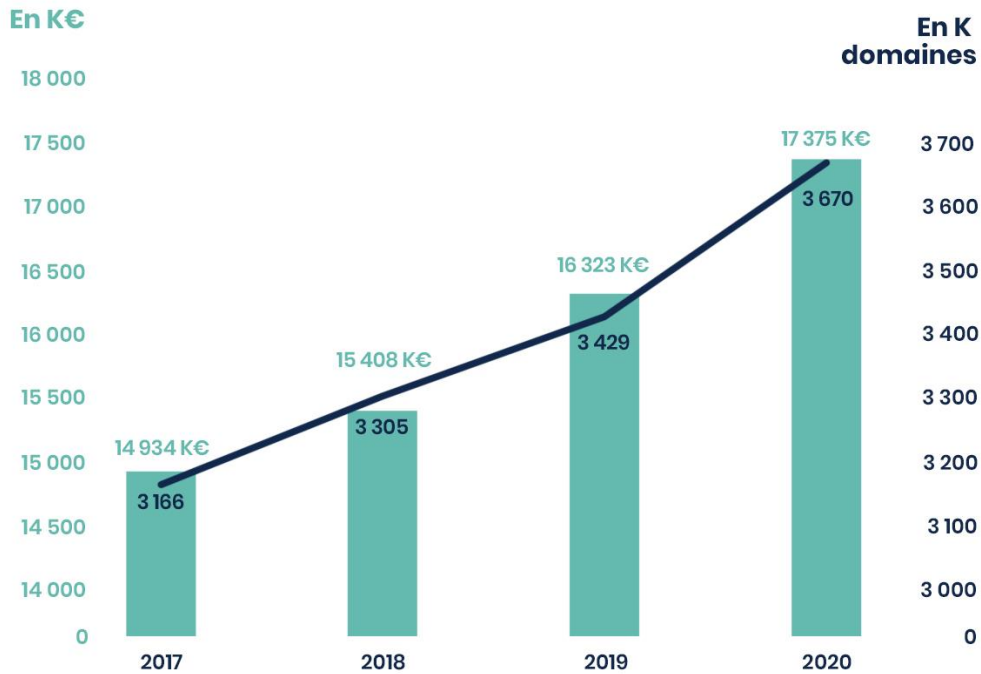
It thus grew by 7.0% in 2020, with a net balance of 241,421 names.

After two years of slowdown, the .fr domain almost doubled its growth in 2020 relative to 2019 (7.0% as against 3.7%). This growth remained higher than that of the French market for all TLDs together (+6.1% in 2020 as opposed to +2.5% in 2019).

Promotion of the .fr TLD

For the first time, in November and December 2020 Afnic carried out a TV promotional campaign for the .fr TLD, with the aim of raising the profile and visibility of the domain among its targets - VSEs, SMEs, craftspersons, the self-employed and micro-entrepreneurs - at a time when going online was crucial for the continuity of their activities. Afnic thus sponsored the weekday current affairs programmes and the weekend culture and leisure programmes on BFM TV, the France Télévisions group channels and Arte. This TV advertising was also accompanied by an online promotional campaign for the .fr TLD using advertising banners highly visible on PCs and mobiles: these banners were then linked to a dedicated page of *réussir-en.fr*. ("succeed with .fr"). In all, this advertising based on the trust associated with the .fr TLD was broadcast more than 1,000 times by sponsoring a score of national and regional TV programmes, some fifty regional daily press websites and a dozen professional websites.

ÉVOLUTION DU CHIFFRE D'AFFAIRES ET DU STOCK DE .FR



ÉVOLUTION DU CHIFFRE D'AFFAIRES ET DUTRENDS IN REVENUES FROM AND STOCK OF STOCK DE .FR .FR

En K€

€000s

En K domaines

In 000s of domains

A partnership with the DGCCRF to combat abuse

During the health emergency, Afnic signed a partnership agreement with the DGCCRF (General Directorate for Competition Policy, Consumer Affairs and Fraud Control) aimed at identifying .fr domain names featuring expressions belonging to the semantic field associated with COVID-19. Afnic sent a daily updated list of domain names to the DGCCRF. Upon implementation of the procedure, all the domain names were checked, then each new website was systematically verified and domain names that had been inactive at the time of the first check were placed under surveillance. The partnership also made it possible to obtain the blocking of websites recognised by the DGCCRF as vehicles for misleading sales practices.

Afnic's R&D

This past year, more digital than ever, brought more intense general attention to the quality of service and the security of exchanges on the networks. This naturally concerned the DNS too.

For the ecosystem of actors in the DNS chain, 2020 was marked in particular by the fast-moving developments and the numerous associated discussions around the adoption of DoH.

The developments of the DNS protocol are aimed at making DNS requests more secure through the use of new channels (TLS, http/2 and http/3).

Noticing that there were few if any resources in French on these subjects, a number of R&D employees created and made available technical resources illustrated with concrete examples accessible to all, as well as a tool for testing conformity with standards, for implementing DoT and DoH resolvers by providing an open software app.

Afnic is involved in several partnered research projects on Cybersecurity and the Internet of Things, and two research articles were accepted and published in 2020 in leading conferences.

Following a year of re-energising in 2019, 2020 was a historic year for the drawing up of proposals for collaborative projects, with no fewer than six R&D projects.

The balance is positive. Two proposals were adopted. The first proposal consists of two parts: the implementation of a proof of concept of sovereign digital identity based on domain names and the strengthening of France's presence at European level in cyber and DNS subjects (support of the MEAE - French Ministry for Europe and Foreign Affairs), while the second one is a new partnered research project in the context of a Franco-German call for projects (MESRI-BMBF, French Ministry of Higher Education, Research & Innovation and German Federal Ministry of Education and Research). Afnic will act as the French coordinator for this project, known as PiVOT, working with the CITI academic laboratory associated with INSA Lyon and Inria. These three years of future collaboration aim to take account of the problems of confidentiality and security of the IoT by relying in particular on identifiers that respect privacy.

4. Non-.fr activity

The same growth trend driven by the needs of an accelerated digital transformation was also seen with the French overseas domains.

Two Board visits to prestige clients (Carrefour and Crédit Agricole) showed that Afnic's expertise could be recognised beyond our immediate circle. It also illustrated the attractions of a partnership approach with our registrars, who have often provided joint services with us.

Lastly, the non-.fr activities, driven by advisory services and French overseas TLDs, progressed despite an unfavourable context for the development of new generic TLDs. With the exception of the .paris TLD, the other geographic TLDs continued to make progress. Sales operations were launched for the .paris TLD, which allowed us to hold the stock steady from one year to the next. Afnic switched its brand TLDs to its new system and prepared the switch of the geographic TLDs for April 2021.

5. Social responsibility at Afnic

Numerous components of corporate social responsibility (CSR) are in evidence daily at Afnic, starting with our governance model, which ensures that all stakeholders in naming and in the French Internet are listened to, represented and collaborated with.

Labour relations and working conditions have also always been at the centre of our concerns and of exchanges with personnel representatives and the competent authorities since the creation of the Association in 1998. Work-life balance, to name just one example, formed part of the first agreements on working time in 1999.

We also attach great importance to listening to and defending the interests of holders of .fr domain names, particularly by way of our 24/7 support and our **SYRELI** dispute resolution procedure.

In accordance with **its mission**, Afnic has always sought to be exemplary, equitable and transparent in its relations with its clients, suppliers and partners in order to ensure the resilience and security of the .fr TLD but also to promote and develop its use.

We also work on local development through our partnerships, our training actions and our involvement with numerous bodies and schools, particularly in the Saint-Quentin-en-Yvelines employment and training cluster in which Afnic is established.

As for environmental matters, we have committed to evaluating our carbon footprint and publishing the results of our carbon balance sheet every three years. The first diagnosis was carried out in 2013 for 2012 and Afnic set itself reduction targets aligned with the Kyoto Protocol, the results of which were visible in the carbon balance sheets for 2015 and 2018.

The creation of the **Afnic Foundation** for Digital Solidarity in 2015 also represented an essential milestone in the development of our vision of CSR. Our social commitment is also seen in the cooperation, co-development and skills transfer actions of our International College.

CSR has been one of the axes of our **multi-year strategy** since 2019. We therefore worked on mapping the components of CSR at Afnic in 2020 and on formalising a process that will enable us to put in place a medium-term CSR management system.

5.1. Afnic Foundation for Digital Solidarity

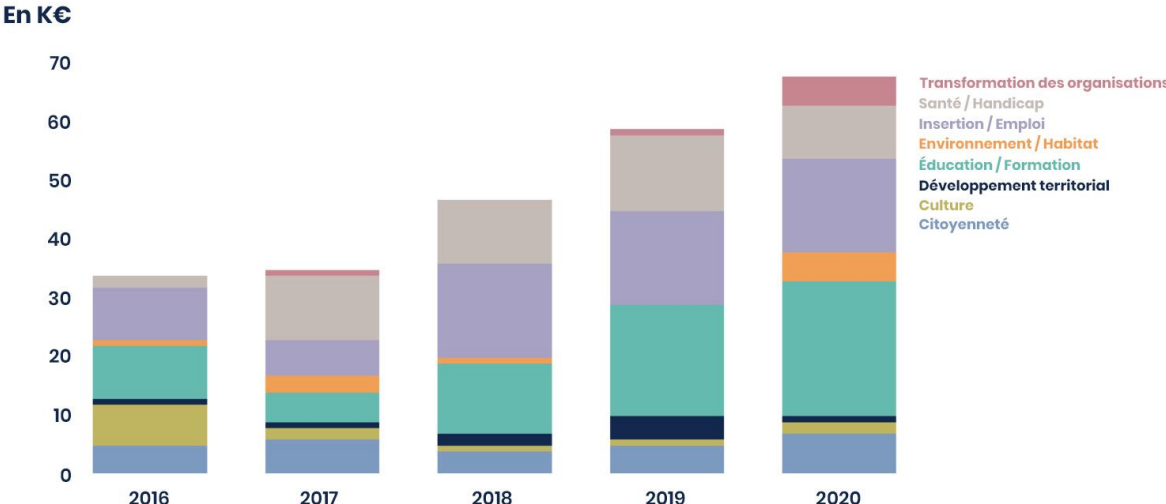
In the context of the health crisis and lockdown measures, the Afnic Foundation naturally contributed its support to local initiatives aimed at reducing the digital divide and re-establishing social ties. The Afnic Foundation financed the purchase of computers for pupils of the La Courtille school in Saint-Denis to help them follow their courses online. It took part in the project of the Les Chemins de l'Espérance association aimed at equipping its twenty senior residences with sound systems and connected microphones and speakers so that

residents could follow and take part in the various activities provided in order to maintain the human relations that are at the heart of the support project. La Cravate Solidaire also received support from the Afnic Foundation in organising seven hours of online support with donors for 150 job-seekers by preparing them for their interviews.

In 2020, the Foundation dedicated a call for projects to themes of education and training on digital matters, which have been increasing constantly for the last five years. The other themes were addressed in the second call for projects. In all, 68 projects were adopted for a total amount of more than €1 million, of which €321,000 for workshops to accompany the public in its digital apprenticeship.

Themes supported for the past five years by the Afnic Foundation for Digital Solidarity

RÉPARTITIONS THÉMATIQUES ANNUELLES DES PROJETS



RÉPARTITIONS THÉMATIQUES ANNUELLES DES ANNUAL BREAKDOWN OF PROJECTS BY PROJETS THEME

En K€	€000s
Transformation des organisations	Transformation of organisations
Santé / Handicap	Health/Disabilities
Insertion / Emploi	Insertion/Employment
Environnement / Habitat	Environment/Habitat
Éducation / Formation	Education/Training

RÉPARTITIONS THÉMATIQUES ANNUELLES DES ANNUAL BREAKDOWN OF PROJECTS BY
PROJETS THEME

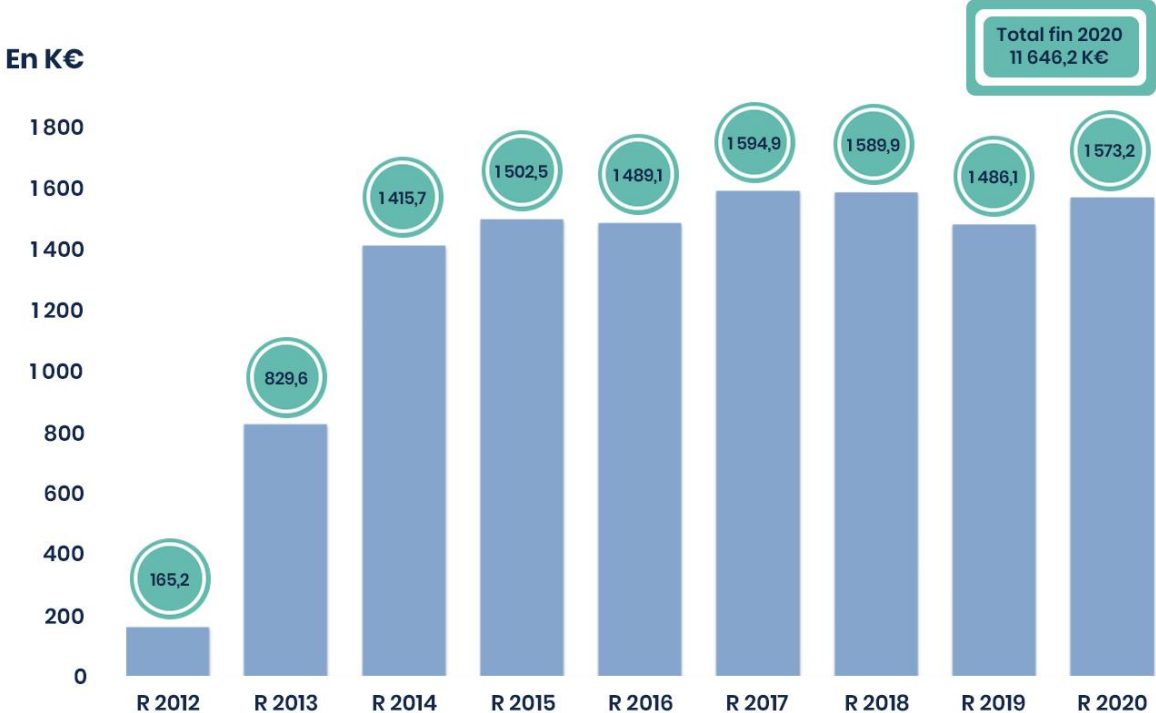
Développement territorial	Regional development
Culture	Culture
Citoyenneté	Citizenship

5.1.1. A new resource for project leaders

In 2020, the Afnic Foundation opened a “Resource Centre” on its website to help project leaders develop and structure their projects. This dedicated space offers a variety of services: a list of the training sessions and services available, a heading that brings together various documents such as the legal provisions and new government directives, access to all the projects supported by the Foundation, with a detailed description of the project’s progress by the winner, the obstacles encountered, the solutions implemented, and offering the possibility of networking with a view to exchanging ideas.

5.1.2. Trends in the sums allocated by Afnic to the Afnic Foundation since 2012

ÉVOLUTION DES DES SOMMES AFFECTÉES PAR L'AFNIC À LA FONDATION DEPUIS 2012



EVOLUTION DES SOMMES AFFECTEES PARTRENDS IN THE SUMS ALLOCATED BY AFNIC
L'AFNIC A LA FONDATION DEPUIS 2012 TO THE AFNIC FOUNDATION SINCE 2012

En K€

€000s

Total fin 2020 – 11 646,2K€

Total end 2020 – €11,646,200

R 2012

R 2012

As a reminder, Afnic allocates 90% of the profits generated by its activity as registry operator for the .fr TLD to the Foundation.

5.2. Labour relations and working conditions

5.2.1. Management of the health crisis

In 2020, the social dialogue assumed a very particular dimension in the context of the health crisis. Exchanges with the Economic and Social Committee and the trade union representatives on the health crisis started at the beginning of March, allowing working from home to be fully implemented as soon as the first lockdown was announced. The premises were closed pursuant to government recommendations and for employees' protection.

In the context of the business continuity plan, Afnic was able to operate 100% remotely. All employees were equipped with effective and secure resources with which to work. The Board nonetheless asked managers to pay special attention to and maintain daily contact with their teams to ensure their wellbeing and to listen out for any constraints of individuals.

A post-lockdown survey was conducted in order to obtain feedback on employees' experience of lockdown. The exchanges were constant and Afnic responded to the requests. For example, from July until mid-October the choice was left to employees as to whether they would continue to work half the time from home.

For the second lockdown, working from home was the norm but the premises were not closed to those who felt the need to come in and/or were not comfortable working from home. The number of people in the office was very small and did not present a health risk.

5.2.2. Other projects under way in 2020

In 2020, Afnic started its forward-looking jobs and skills management project (GPEC in the French abbreviation). The first stage consisted in identifying the skills present within Afnic, which allowed us to update all job descriptions. This alignment of skills with jobs allowed us to identify any gaps and to propose support or training.

The "Hub", Afnic's conviviality space, was the subject of reflection in order to be able to welcome employees in the best conditions on their return.

In 2021, Afnic will continue to make resources available to meet the needs of employees working remotely, with the implementation of an electronic safe deposit box and luncheon vouchers.

Key figures:

Gender Equality Index for 2020: 95/100 as against 86/100 in 2019

52% men and 48% women at 31 December 2020.

6. Financial report

6.1. Key figures

For 2020, Afnic posted growth of 6.3% in its total revenues, which amounted to €19,069,087.

The net accounting profit was €605,311, down by 7.2% on the previous financial year.

Total revenues for 2020 break down as follows:

- **Revenues from .fr amounting to €17,374,995, up by 6.4% on 2019.**
- **Revenues from gTLDs and consulting services amounting to €1,425,744, up by 3.3% on 2019.**
- **Revenues from French overseas TLDs amounting to €268,348, up by 10.1% on 2019.**

After restatements for payments due to Paris City Hall for .paris, and to Muse Doma for .museum, Afnic's revenues amounted to €18,702,032, up by 6.3% on the previous financial year.

6.2. Activity in 2020 compared with the budget objectives and with 2019

- Total revenues of €19,069,087 consisted of €19,051,771 of net revenue and €17,316 of an ANR (National Research Agency) grant. This grant, for a total amount of €106,722 over three years, is taken into revenues on the basis of the actual time spent by the teams on the project.
- Revenue from .fr was up by 6.4% relative to 2019, in correlation with the annual growth in its stock of 7.0%, with 3,670,372 domain names registered at 31 December 2020. This growth in revenues was brought about in particular by domain name create operations (+14%), renewals (+4.4%), current transfer type operations (+18%) and specific products associated with the .fr TLD (+15%).
- Relative to the budget objectives, revenues from the .fr domain were ahead by 4.6%, in line with the 3.2% increase in the stock of .fr names. Added to this were the supplementary revenues from specific products (+87%) and current operations (+21%).
- Revenue from French overseas territories TLDs was up considerably, compared both with 2019 (+10.1%) and with the budget (+4.7%). The total stock of domain names increased by 12%, standing at 49,358 at 31 December 2020.

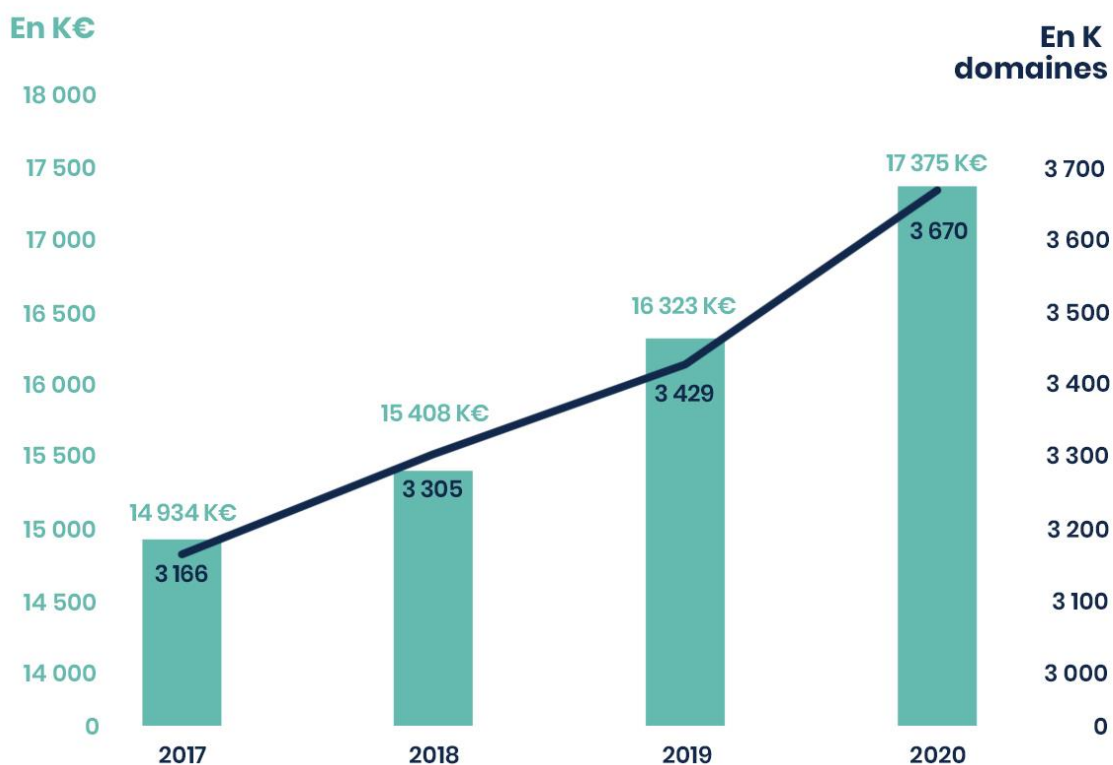
- As for gTLDs, the year 2020 saw growth of 4.4% in the stock of domain names and a 0.5% decline in revenues brought about by the renegotiation of the contracts of two registry clients.

The Consulting & Training activity posted a fine performance, completing two assignments and posting revenues of €61,933 (+726% compared to 2019).

Relative to the budget objectives, revenues from gTLDs fell short by 0.6%, on stock in line with forecasts. Consulting services did better than expected, with additional revenues of €22,533 (+57%).

The following figures provide an overview of the past few years:

ÉVOLUTION DU CHIFFRE D'AFFAIRES ET DU STOCK DE .FR



Evolution du chiffre d'affaires et du stock de .FR Trends in revenues from and stock of .fr

En K €

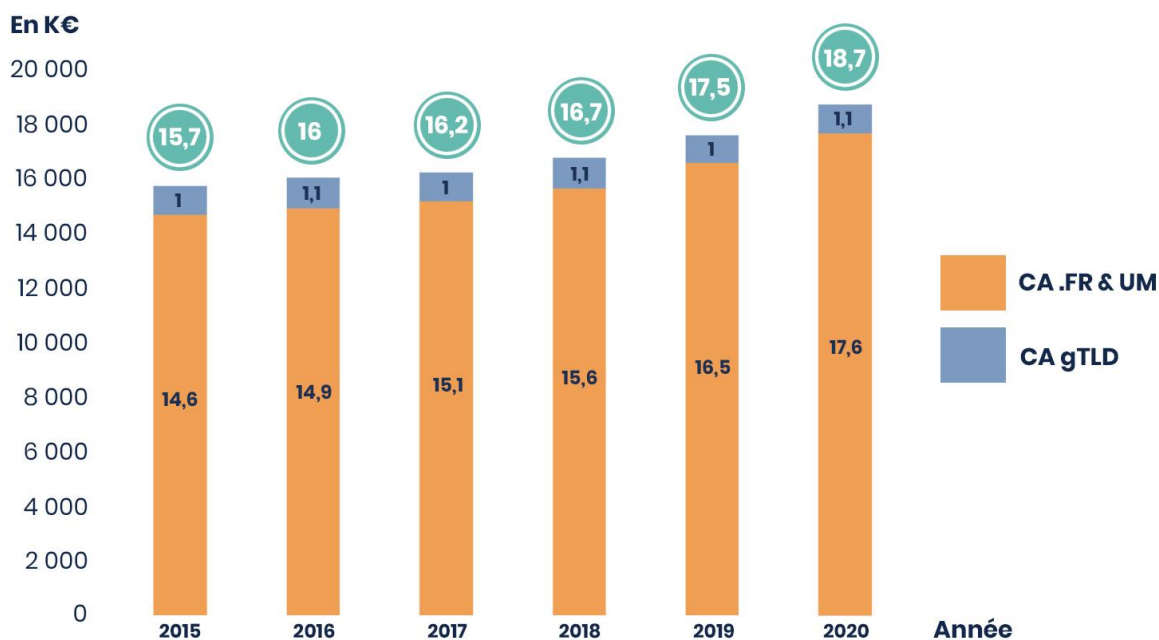
€000s

En K domaines

In 000s of domains

Trends in Afnic's revenues and the weight of the TLDs

ÉVOLUTION DU CHIFFRE D'AFFAIRES AFNIC



ÉVOLUTION DU CHIFFRE D'AFFAIRES AFNIC

TRENDS IN AFNIC'S REVENUES

En K€

€000s

CA .FR & UM

Revenues, .FR & O'seas

CA gTLD

Revenues, gTLDs

Année

Year

6.3. Operating expenses

Operating expenses amounted to €15,836,316, up by 6.3% on 2019.

Operating expenses include €367,055 of charges transferred for the same value as the total revenues to Paris City Hall and Muse Doma, and do not include the amount paid to the Afnic Foundation.

The highlights of 2020 were:

- 1) Personnel expenses: an increase of 1.4% due to the 1.5% increase in the average workforce. Departures, and to a lesser extent savings on training, allowed most of the increases in other costs (notably recruitments and negotiated annual salary increases) to be absorbed. Relative to the budget forecasts, this item represents a 4.2% saving: the recruitment plan was implemented, but in some cases later than planned. Some unforeseen departures also allowed some savings to be made.
- 2) At 31 December 2020, the workforce stood at 85 employees including three with apprenticeship contracts. It should be stressed here that the recruitment plan (13 new hires) was achieved in spite of tensions in the labour market.
- 3) External ISD charges: an increase in expenses of 3.7%, explained by increased use of subcontracted providers to support the development efforts linked to the “Avenir” project and to the migration of our procurement and accounting tool. These expenses were in excess of the initial budget by €238,635 (+7.5%).
- 4) With a cost of sales per .fr domain name amounting to €3.64 (+3.4%), the 7% growth in the stock was not enough to absorb the increase in charges of 11% (+9% if the exceptional HR charge is excluded).

Operating profit for 2020, including the endowment to the Afnic Foundation, was €1,730,453, €94,523 (5.8%) more than in 2019 and €454,590 (35.6%) ahead of the budget.

6.4. Other operating expense items

6.4.1. Profit sharing

Afnic employees will receive a share in the profits based on the result for 2020. The amount of the profit sharing and the associated employer’s social contribution is €434,489.

The profit sharing is applied in accordance with the legal criteria (Article L3322-2 of the French Labour Code).

Trends in the level of profit sharing (profit sharing and employer’s social contribution) over the past five years:

<i>En milliers d'euros</i>	2016	2017	2018	2019	2020
Participation et forfait social	438	448	459	449	434

En milliers d'euros

€000s

Participation et forfait social

Profit sharing and employer’s social contribution

6.4.2. Afnic Foundation for Digital Solidarity

The amount for the Afnic Foundation for Digital Solidarity was €1,573,206.

Since the creation of the Afnic Foundation, the .fr business has allowed it to be endowed with €11,646,244.

6.4.3. Corporation tax and tax credit

6.4.3.a/ Research & Innovation Tax Credit

In 2020, Afnic generated a research tax credit of €8,229 and an innovation tax credit of €78,431, giving a total of €88,660.

6.4.3.b/ Sponsorship Tax Credit

The funds paid to Fondation de France on behalf of the Afnic Foundation allow us to benefit from a tax credit amounting to €57,163 in 2020.

6.4.3.c/ Family Tax Credit

Afnic pursues its family policy by reserving places in a company crèche with a view to offering the employees concerned, men or women, a better work-life balance.

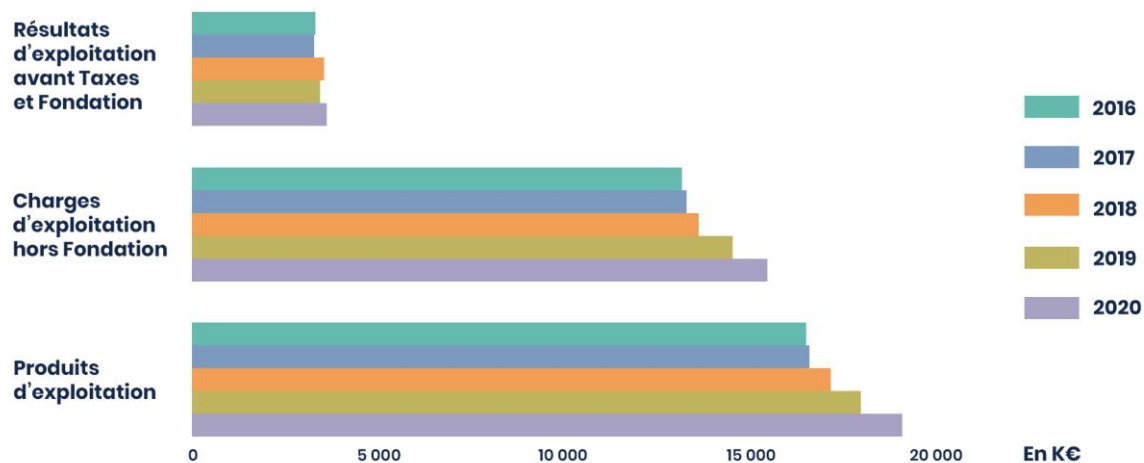
This arrangement allows it to benefit from the associated family tax credit, which for 2020 amounted to €20,542.

These tax credits are applied to the amount of corporation tax of the Association, which came to €615,295 (3.2% of Afnic's net revenues).

6.5. Operating profit before tax and allocation to the Afnic Foundation up by 5.1% compared to 2019

The accounting operating profit before tax and allocation to the Afnic Foundation amounted to €3,619,509 (19% of Afnic's net revenues), testimony to Afnic's operational performance.

ÉVOLUTION DES PRODUITS ET CHARGES D'EXPLOITATION DE L'AFNIC DEPUIS 2016



EVOLUTION DES PRODUITS ET CHARGES TRENDS IN AFNIC'S OPERATING D'EXPLOITATION DE L'AFNIC DEPUIS 2016 REVENUES AND EXPENSE SINCE 2016

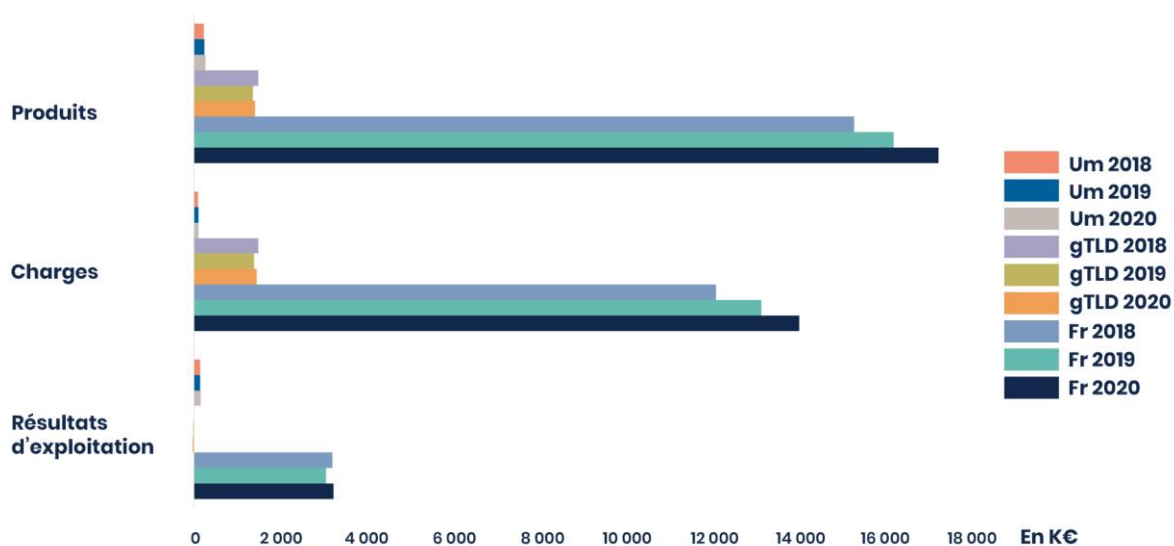
Résultats d'exploitation avant Taxes et Fondation Operating profit before tax and allocation to the Foundation

Charges d'exploitation hors Fondation Operating expenses excluding Foundation

Produits d'exploitation Operating revenues

6.6. Presentation of the accounts by activity

ÉVOLUTION DES CHARGES ET PRODUITS PAR EXTENSION



EVOLUTION DES CHARGES ET PRODUITS PAR EXTENSION

TRENDS IN REVENUES AND EXPENSE BY TLD

Produits

Revenues

Charges

Charges

Résultats d'exploitation

Operating profit

Um 2018

O'seas 2018

Um 2019

O'seas 2019

Um 2020

O'seas 2020

gTLD 2018

gTLDs 2018

gTLD 2019

gTLDs 2019

gTLD 2020

gTLDs 2020

Fr 2018

.fr 2018

EVOLUTION DES CHARGES ET PRODUITS PAR EXTENSION

TRENDS IN REVENUES AND EXPENSE BY TLD

FR 2019

.fr 2019

FR 2020

.fr 2020

The allocation of charges by activity follows the analytical accounting procedure of June 2012, as amended in 2014 in accordance with the recommendations of Mazars.

The presentation, showing three years on a sliding basis, highlights the performance of the gTLDs, maintaining a result close to break-even for the third year in a row.

Non-.FR activity (O'seas+ gTLDs) produced an operating result of €123,974, comparable with 2019 and well ahead of the budget (+265%).

Below is a clarification of the "time spent" key and changes in it since 2013, the first full year of its implementation. This key serves to allocate personnel costs and most overheads among the TLDs.

	Fr	Um	gTLD
2013	87,8%	1,0%	11,2%
2014	78,1%	0,7%	21,2%
2015	85,0%	1,0%	14,0%
2016	88,4%	0,7%	10,9%
2017	91,0%	0,7%	8,3%
2018	91,3%	0,6%	8,0%
2019	90,8%	0,6%	8,6%
2020	91,2%	0,6%	8,1%

.FR

Um

O'seas

gTLD

gTLDs

6.7. The financial commitments of the agreement between the State and Afnic were largely fulfilled

In an order dated 5 April 2017 and published in the Official Journal of the French Republic, the Secretary of State for Industry, the Digital Economy and Innovation, designated Afnic as Registry Operator for the .fr domain for a new term of office of five years from 25 June 2017.

The agreement between the State and Afnic lists the commitments of Afnic, the majority of which can be verified by means of the approved accounts.

The financial elements – 2020

Indicateurs recensés dans les rapports de gestion	Objectif / niveau d'engagement	Réalisé 2020 en %
Investissements pour la promotion du .fr	10% du Chiffre d'affaires	11,8%
Investissements en actions de Recherche et	10% du Chiffre d'affaires	8,0%
Investissement pour la sécurité et la stabilité du .fr	> 8% du Chiffre d'affaires	9,1%
Politique de formation du personnel	>= à 3% de la masse salariale	2,4%

Indicateurs recensés dans les rapports de gestion

Indicators included in the management reports

Investissements pour la promotion du .fr

Investments for the promotion of the .fr domain

Investissements en actions de recherche et développement

Investments in research and development actions

Investissement pour la sécurité et la stabilité du .fr

Investment for the security and stability of the .fr TLD

Politique de formation du personnel

Personnel training policy

Objectif / niveau d'engagement

Objective/level of commitment

10 % du chiffre d'affaires

10% of revenues

10 % du chiffre d'affaires

10% of revenues

> 8 % du chiffre d'affaires

> 8% of revenues

>= à 3 % du chiffre d'affaires

>= 3% of revenues

Indicateurs recensés dans les rapports de gestion

Indicators included in the management reports

Réalisé 2020 en %

Actual 2020 in %

- The level of the R&D ratio is explained by a decrease in the costs linked to monitoring activities and skills transfer actions, particularly abroad, which it was not possible to carry out due to the health context. While at the same time there was a particularly remarkable growth in revenues from .fr names.
- The health crisis also forced us to cancel or postpone a large number of training actions, which explains the ratio of 2.4% below the objective.

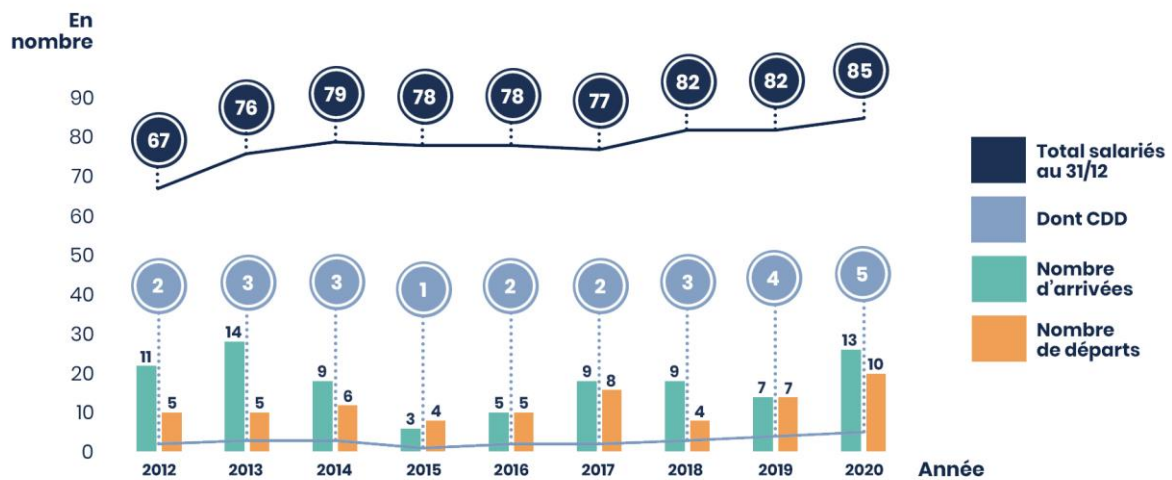
6.8. Breakdown of investments in 2020

- The ISD investments made in 2020 were aimed at strengthening the security and reliability of our SRS, in particular by means of the acquisition of .fr infrastructures for the Avenir and OSMOSE programmes.
- The associated operating expenses in 2020 for strengthening the security of the infrastructures amounted to €954,194, stable compared with 2019.

6.9. Changes in workforce

The year 2020 ended with a workforce of 85, up by 1.5% compared with the end of 2019 (13 arrivals and 7 departures). The strategic positions were all replaced.

ÉVOLUTION DU NOMBRE DE SALARIÉS



Evolution du nombre de salariés

Changes in the number of employees

En nombre

In number

Total salariés au 31/12

Total employees at 31/12

Dont CDD

Of which on fixed-term contracts

Nombre d'arrivées

Number of arrivals

Nombre de départs

Number of departures

Année

Year

6.10. The cash position was held at a high level

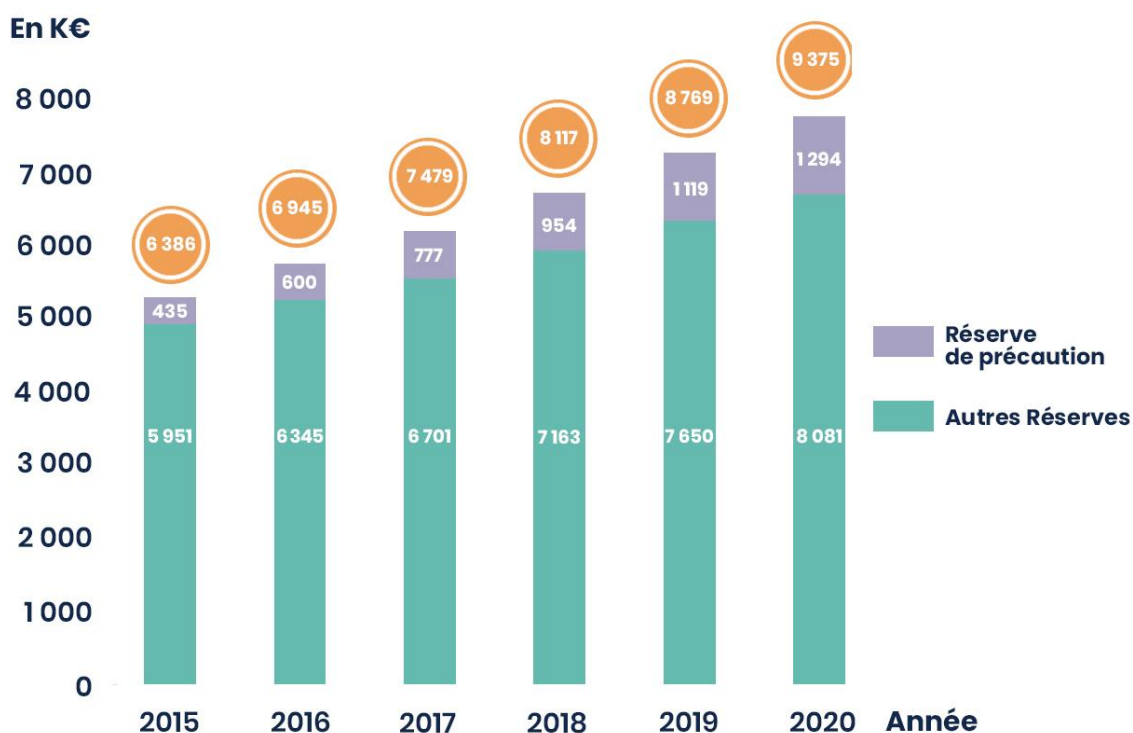
The cash position continues to grow (+7.9%), bringing total liquid assets to €19,552,318.

Treasury includes a receivable on the Afnic Foundation for €3,059,256 (representing the amounts of the past two years).

6.11. Accumulated surplus

After appropriation of profit for the year 2020 of €605,311, the accumulated surplus is as follows:

ÉVOLUTION DES FONDS ASSOCIATIFS DEPUIS 2015



EVOLUTION DES FONDS ASSOCIATIFSTREND IN THE ACCUMULATED SURPLUS DEPUIS 2015 SINCE 2015

En K€

€000s

Réserve de précaution

Precautionary reserve

Autres réserves

Other reserves

Année

Year

The accumulated surplus at year-end 2020 is sufficient to cover around 13 months of personnel costs and rentals for hosting (Datacenter) and premises.

6.12. Conclusion

The very good results for 2020 allow us to consolidate the accumulated surplus and to maintain Afnic's strategic objectives, and more particularly for 2021:

- to support the online presence and digital autonomy of VSEs/SMEs with the .fr domain;
- to present the best candidacy for Registry Operator for the .fr domain and consolidate the Back-end Registry Operator offering to new gTLDs;
- and to adopt a CSR action plan and integrate it fully into our Quality approach.

7. Financial annexes

7.1. Simplified financial balance sheet

Bilan simplifié

Actif en K€	31/12/2020 Net	31/12/2019 Net
Actif Immobilisé	1 650	1 504
Créances d'exploitation	4 044	3 792
Disponibilités	19 552	18 113
TOTAL ACTIF	25 246	23 409

Passif en K€	31/12/2020 Net	31/12/2019 Net
Fonds associatifs	8 769	8 117
Résultat de l'exercice	605	652
Provisions réglementées	4	36
FONDS PROPRES	9 379	8 806
PROVISIONS	279	87
DETTES	15 589	14 517
TOTAL PASSIF	25 246	23 409

Bilan simplifié

Actif en K€

Net

Actif immobilisé

Créances d'exploitation

Simplified balance sheet

Assets in €000s

Net

Property, plant & equipment

Operating receivables

Bilan simplifié	Simplified balance sheet
	Cash & cash equivalents
TOTAL ACTIF	TOTAL ASSETS
Passif en K€	Liabilities in €000s
Fonds associatifs	Accumulated surplus
Résultat de l'exercice	Profit for the year
Provisions réglementées	Regulated provisions
FONDS PROPRES	OWN FUNDS
PROVISIONS	PROVISIONS
DETTES	DEBTS
TOTAL PASSIF	TOTAL LIABILITIES & EQUITY

7.2. Simplified income statement

Compte de résultat simplifié

En K€	31/12/2020	31/12/2019
	Net	Net
Chiffre d'affaires	19 052	17 944
Autres produits	88	79
PRODUITS D'EXPLOITATION	19 140	18 024
Autres achats et charges externes	6 504	5 766
Impôts, taxes et versements assimilés	404	403
Salaires, traitements et charges sociales	8 163	8 019
Autres charges dont Amortissements	2 339	2 200
CHARGES D'EXPLOITATION	17 410	16 388
RÉSULTAT D'EXPLOITATION	1 730	1 636
RÉSULTAT FINANCIER	10	35
RÉSULTAT EXCEPTIONNEL	-	52
Participation des salariés aux résultats	362	374
Impôts sur les bénéfices	615	697
BÉNÉFICE OU PERTE	605	652

Compte de résultat simplifié

Simplified income statement

En K€

€000s

Chiffres d'affaires

Revenues

Autres produits

Other income

PRODUITS D'EXPLOITATION

OPERATING REVENUE

Autres achats et charges externes

Other purchases and external charges

Impôts, taxes et versement assimilés

Taxes, duties and similar

Salaires, traitements et charges sociales

Salaries, wages and social charges

Autres charges dont Amortissements

Other charges including depreciation and amortisation

Compte de résultat simplifié	Simplified income statement
Charge d'exploitation	Operating expenses
Résultat d'exploitation	Operating profit
Résultat financier	Financial result
Résultat exceptionnel	Non-recurring result
Participation des salariés aux résultats	Employees' profit sharing
Impôts sur les bénéfices	Tax on income
Bénéfice ou perte	Profit or loss