

2021

half-year
report

econocom

Contents

| | |
|---|-----------|
| 1. MANAGEMENT REPORT | 4 |
| 1. Group's financial position and highlights | 5 |
| 1.1. Gradual recovery of organic growth and acceleration of profitability | 5 |
| 1.2. External growth projects | 6 |
| 1.3. Continued implementation of the transformation plan and efforts on financial liabilities | 7 |
| 1.4. Changes in shareholders and governance | 7 |
| 2. Half-year results | 8 |
| 2.1. Key figures (unaudited) | 8 |
| 2.2. Overview of the activity during the half-year | 10 |
| 2.3. Key figures by business | 12 |
| 2.4. Key figures by region | 13 |
| 3. Outlook | 14 |
| 4. Risk factors and disputes | 14 |
| 5. Related parties | 14 |
| 6. Human resources | 14 |
| 7. Share price and ownership structure | 15 |
| 2. CONSOLIDATED FINANCIAL STATEMENTS | 16 |
| 1. Condensed consolidated income statement and earnings per share | 17 |
| 2. Consolidated statement of financial position | 20 |
| 3. Consolidated statement of changes in equity | 22 |
| 4. Consolidated statement of cash flows | 24 |
| 5. Notes to the consolidated financial statements | 26 |
| 5.1. Accounting policies | 26 |
| 5.2. Changes in the scope of consolidation in the first half of 2021 | 31 |
| 5.3. Segment information | 32 |
| 5.4. Operating expenses | 33 |
| 5.5. Other non-recurring operating income and expenses | 35 |
| 5.6. Net finance income (expense) | 37 |
| 5.7. Income taxes | 37 |
| 5.8. Basic and diluted earnings per share | 38 |
| 5.9. Goodwill | 39 |
| 5.10. Intangible assets, property, plant and equipment and non-current financial assets | 40 |
| 5.11. Other long-term receivables | 42 |
| 5.12. Residual interest in leased assets | 43 |
| 5.13. Gross liability commitments for purchases of leased assets | 44 |
| 5.14. Current operating assets and liabilities | 44 |
| 5.15. Cash, gross debt, net debt | 47 |
| 5.16. Information on equity | 50 |
| 5.17. Provisions | 53 |
| 5.18. Notes to the consolidated statement of cash flows | 53 |
| 5.19. Related-party transactions | 57 |
| 5.20. Subsequent events | 59 |

Statement by the person responsible for the half-year financial report

I hereby declare that to the best of my knowledge, the financial statements for the six months ended 30 June 2021 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and that the half-year Board of Directors' report appended hereto gives a fair description of the material events that occurred during the first six months of the financial year and their impact on the financial statements, and of the major related-party transactions, together with a description of the main risks and uncertainties for the remaining six months of the financial year.

21 July 2021

Jean-Louis Bouchard, representative of Econocom International BV

Chairman of Econocom



01

**Management
report**

1. Group's financial position and highlights

In the first half of 2021, the Group posted growth¹ in revenue of 1.7% and ROP² of €62.3 million, up 40%¹. In line with the debt reduction efforts made in 2020, Econocom pursued a policy of reducing the volume of its borrowings while maintaining its liquidity. Net financial debt³ came to €217 million at the end of June 2021, compared to €303 million at the end of June 2020.

1.1. Gradual recovery of organic growth and acceleration of profitability

In addition to its significant consequences for the global economy, the health crisis has created new ways of working in companies and public organisations: remote has become a key practice in all professions where applicable and new uses have emerged or become widespread.

To support these changes and offer its customers appropriate responses to these challenges, the Econocom Group has capitalised on its historical know-how in the field of digital transformation of organisations, which has enabled it to return to an organic growth trend in the first six months of 2021.

Over the period, the Group's activities experienced the following developments:

The DSS (Digital Services and Solutions) division, comprising the Products & Solutions business and the Services business, was particularly dynamic, with sustained growth¹ in revenue of 7.7%.

- Retail, which is a leading indicator of any economic recovery, performed very well. The Products & Solutions business recorded growth of 9.9% over the period¹, driven by the boom in European demand, despite some supply chain delays. Products & Solutions is central to users' needs and offers a comprehensive range of services based on a catalogue of more than 150,000 items, from consulting & supply, customization & installation and maintenance of mobility...

¹at constant exchange rate and on a like-for-like basis

²before amortisation of intangible assets from acquisitions

³excluding the IFRS 16 impact of leases for which Econocom is a lessee.

- Services have stepped up their positioning on higher value-added offers to support end-to-end digital projects. The transformation of the business continued with the pooling of the outsourcing model across France, Belgium and Spain, the growth of “Move to Cloud” activities and the strengthening of synergies with certain satellites. Over the first six months of 2021, Services revenue increased by 3.7%¹.

In addition, the profitability of DSS increased in the first half of 2021 with ROP² of €44.8 million, up 31%¹ compared to the same period last year, thereby posting profitability of 5.6% (+1pt).

The TMF (Technology Management & Financing) division suffered from the effects of the health crisis in 2020 due to the interruption of many projects by its traditional customers and competition from financing solutions supported by European states such as State Guaranteed Loans (SGLs) in France. Revenue for the first half of 2021 posted a more limited decrease (-7.5%¹). In addition, thanks to good cost control, ROP² of TMF amounted to €17.5 million, resulting in profitability of 3.9% (+1.8pt).

In total, revenue from continuing operations amounted to €1,239 million at the end of June 2021, up 1.7%¹, and ROP² came to €62.3 million (up 40%¹), *i.e* profitability of 5.0% (up by 1.4pts¹ compared to the end of June 2020).

1.2. External growth projects

With a healthy balance sheet and a strengthened financial structure since the end of 2020, the Econocom Group is on track to return to the implementation of an ambitious external growth policy. For each of the business lines, the additional expertise per country required to achieve their objectives has been defined. During the first half of 2021, the Group studied several potential acquisition projects.

In Products & Solutions, the Group intends to extend its geographical reach to core markets in Europe, with a particular focus on Germany, the United Kingdom, Spain and Benelux. With this in mind, the priority will be given to companies which allow for increased synergies with TMF. With the emergence of new digital products from developing technologies such as IoT (Internet of Things) or Cloud solutions, Econocom is also considering targets which enable to strengthen its expertise in these high-growth segments.

The Services business aims to accelerate its external growth in the outsourcing of workstations and towards higher value-added consulting services, particularly in “Move to the Cloud”.

Lastly, the TMF division aims to develop multi-country operations in high-potential areas, such as Germany, France and Benelux, to meet the needs of its major clients. For the distribution of its offers, the Econocom Group is also studying new channels such as partnerships and/or joint ventures in order to offer new financing solutions for large deals.

1.3. Continued implementation of the transformation plan and efforts on financial liabilities

In order to have the resources necessary for its growth in an economic environment still marked by the health crisis during the first half of 2021, the Econocom Group continued its transformation efforts by further streamlining its business portfolio and reducing its cost base. Accordingly, two additional entities were classified as “discontinued operations” and Aragon was sold. In addition, Services in France sold two business assets during the first half of 2021.

In addition, in line with the achievement of positive net cash³ of €20 million at the end of December 2020, the Econocom Group continued its initiatives to manage its debt during the first half of 2021.

Particular attention was paid to reducing the average working capital requirements with a very close eye on the optimisation of customer payments.

Over the period, the Group also optimised the structure of its gross financial liabilities in order to reduce its cost of debt: renewal and increase by more than €100 million of confirmed bank credit facilities and early repayment of €115 million in May of the *Schuldschein* bond debt which was initially scheduled in November.

As of 30 June 2021, the Net Accounting Debt³ amounted to €217 million, down by €86 million compared to the situation of 30 June 2020, despite the acquisition of treasury shares and material investments at Les Abeilles for a total of more than €110 million.

1.4. Changes in shareholders and governance

Last February, BIS BV, a subsidiary of the Econocom Group, acquired the 6.01% stake (*i.e.* 13,278,091 shares) held by two companies controlled by Walter Butler (namely Butler Industries Benelux SA and Butler Industries) in the share capital of Econocom Group SE. Walter Butler acquired a stake in Econocom Group SE in 2013 when it acquired the Osiatis group. Following this transaction and as agreed, Walter Butler resigned as director of Econocom Group SE.

Subsequently, BIS BV and Econocom Group continued their acquisitions of shares in the latter so that, on 30 June 2021, 34.0 million treasury shares were held (including 17.5 million by Econocom Group and 16.4 million by BIS BV), *i.e.* 15.39% of the number of shares. As of 30 June 2021, these shares represented nearly €110 million in value, not recorded in the Group’s consolidated balance sheet.

In addition to the resignation of Walter Butler, the Board of Directors of Econocom Group SE also noted the departure of Gaspard Dürreleman, whose term of office was due to expire. He was replaced on the Audit Committee by Robert Bouchard, who had already been a member and Chairman of said committee a few years ago.

2. Half-year results

2.1. Key figures (unaudited)

Income statement

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|---|----------------------------|--|
| Revenue from continuing operations | 1,239.5 | 1,225.7 |
| Technology Management & Financing | 445.7 | 475.1 |
| Digital Services & Solutions | 793.8 | 750.6 |
| Profit (loss) from continuing ordinary operations before amortisation of intangible assets from acquisitions | 62.3 | 44.6 |
| Profit (loss) from continuing ordinary operations | 61.1 | 43.6 |
| Other non-recurring operating income and expenses | (7.6) | (23.6) |
| Operating profit | 53.5 | 20.0 |
| Other financial income and expenses | (7.4) | (8.5) |
| Profit (loss) before tax | 46.1 | 11.5 |
| Income tax expense | (14.8) | (5.7) |
| Share of profit (loss) of associates and joint ventures | (0.1) | - |
| Profit (loss) from discontinued operations | (1.1) | 16.3 |
| Profit for the period | 30.1 | 22.1 |
| Non-controlling interests | 2.5 | 0.9 |
| Profit for the period attributable to owners of the parent | 27.6 | 21.2 |
| Recurring net profit attributable to owners of the parent | 34.8 | 22.7 |
| <i>(Attributable to owners of the parent and in euros)</i> | First-half 2021 | First-half 2020 restated* |
| Basic earnings per share | 0.141 | 0.097 |
| Diluted earnings per share | 0.139 | 0.097 |
| Recurring earnings per share | 0.178 | 0.104 |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

Reconciliation of reported profit with recurring profit

| <i>in € millions</i> | First-half 2021 (reported) | Amortisation of intangible assets from acquisitions | Other non- recurring items | Discontinue d operations | First-half 2021 (recurring) | First-half 2020 (recurring) restated* |
|---|----------------------------------|--|----------------------------------|-----------------------------|-----------------------------------|--|
| Revenue from continuing operations | 1,239.5 | - | - | - | 1,239.5 | 1,225.7 |
| Profit (loss) from continuing ordinary operations | 61.1 | 1.1 | - | - | 62.3 | 44.6 |
| Other non-recurring operating income and expenses | (7.6) | - | 7.6 | - | - | - |
| Operating profit | 53.5 | 1.1 | 7.6 | - | 62.3 | 44.6 |
| Other financial income and expenses | (7.4) | - | (0.2) | - | (7.6) | (8.5) |
| Profit (loss) before tax | 46.1 | 1.1 | 7.4 | - | 54.6 | 36.2 |
| Income tax expense | (14.8) | (0.4) | (1.9) | - | (17.1) | (12.6) |
| Share of profit (loss) of associates and joint ventures | (0.1) | - | - | - | (0.1) | - |
| Profit (loss) from discontinued operations | (1.1) | - | - | 1.1 | - | - |
| Profit for the period | 30.1 | 0.7 | 5.5 | 1.1 | 37.4 | 23.6 |
| Non-controlling interests | 2.5 | - | 0.0 | - | 2.5 | 0.9 |
| Profit for the period attributable to owners of the parent | 27.6 | 0.7 | 5.5 | 1.1 | 34.8 | 22.7 |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

Statement of financial position

The statement of financial position below expresses this more concisely:

- by posting the positive cash and cash equivalents from bond debt and other financial liabilities in liabilities to show net book debt directly on this side of the balance sheet;
- by showing trade receivables on the asset side and net debt in liabilities for the share of TMF self-funded contract.

| <i>In € millions</i> | 30 June 2021 | 31 December 2020 |
|--|---------------------|-------------------------|
| ASSETS | | |
| Goodwill | 490.9 | 499.5 |
| Other non-current assets | 229.2 | 230.3 |
| Residual interest in leased assets | 174.7 | 175.2 |
| Trade and other receivables | 839.1 | 894.1 |
| <i>of which outstanding on self-funded contracts</i> | 193.1 | 185.9 |
| Other current assets | 168.4 | 137.0 |
| Assets held for sale | 96.6 | 74.3 |
| TOTAL ASSETS | 1,999.0 | 2,010.5 |

| <i>In € millions</i> | 30 June 2021 | 31 December 2020 |
|--|---------------------|-------------------------|
| LIABILITIES | | |
| Equity | 409.7 | 472.9 |
| Net financial debt | 217.0 | (20.2) |
| <i>of which net debt linked to self-funded contracts</i> | 193.1 | 185.9 |
| <i>of which net debt – other</i> | 23.9 | (206.1) |
| Gross liability for purchases of leased assets | 100.2 | 103.7 |
| Other non-current liabilities | 168.3 | 155.2 |
| Trade payables | 838.3 | 992.1 |
| Other current liabilities | 218.2 | 277.3 |
| Liabilities held for sale | 47.2 | 29.5 |
| TOTAL EQUITY AND LIABILITIES | 1,999.0 | 2,010.5 |

2.2. Overview of the activity during the half-year

During the first half of 2021, the Econocom Group recorded growth in consolidated revenue from its continuing operations. Revenue was €1,239.5 million, up using constant standards by 1.1%, of which 1.7% in organic. This performance was achieved despite supply chain difficulties, resulting in delivery delays which mainly affected the Products & Solutions and Technology Management & Financing businesses.

The Digital Services & Solutions business (DSS), which consists of Services and Products and Solutions was up by 5.8% on a like-for-like basis, of which 7.7% in organic (3.7% for the

01 management report

Services business and 9.9% for the Products & Solutions business). Technology Management & Financing (TMF) posted an organic decline of 7.5% for the half-year.

ROP² amounted to €62.3 million in the first half of 2021, a strong increase compared to the €44.6 million recorded a year earlier at constant standards. The Group has thus taken full advantage of the savings plans implemented over the last two years and of an improvement in its margins by business.

In addition, for its continuing operations, the Group recorded non-recurring expenses of €7.6 million in the first half of 2021 (compared to €23.6 million in the first half of 2020). These expenses are mainly related to reorganisation and cost reduction measures as well as to impairment charges on non-current assets.

Net financial expenses amounted to €7.4 million, compared with €8.5 million in the first half of 2020. This reduction is mainly due to the decrease in the average financial liabilities over the half-year following the Group's debt reduction efforts.

Given all of these items, profit from continuing operations amounted to €31.3 million, compared to €5.8 million a year earlier, *i.e.* a 5.4-fold increase.

Discontinued operations posted a loss of €1.1 million, compared to profit of +€16.3 million in the first half of 2020. The €16.3 million include non-current items (primarily gains on the disposal of EBC net of disposal costs and allowances for provisions) in the net amount of €18.7 million.

Consolidated net profit for the first half of 2021 stood at €30.1 million, up sharply compared to the €22.1 million for the first half of 2020. Profit for the period attributable to owners of the parent was €27.6 million (compared to a loss of €21.2 million in the first half of 2020).

Recurring net profit for the period attributable to owners of the parent was €37.4 million at the end of June 2021, compared with €22.7 million in the first six months of 2020.

Equity at 30 June 2021 was €409.7 million, compared to €472.9 million at the end of December 2020. The decrease was primarily due to the buyback of treasury shares in the first half of the year for an amount of €72.0 million and the redemption of the share premium decided at the General Meeting of 18 May 2021, partially offset by the net profit for the period.

Net financial debt³ as at 30 June 2021 was €217.0 million broken down as follows:

| <i>in € millions</i> | 30 June 2021 | 30 June 2020 restated | 31 December 2020 |
|--|-----------------|-----------------------------|------------------------|
| Cash and cash equivalents | 299.7 | 478.0 | 649.3 |
| Bank debt and commercial paper | (158.9) | (307.1) | (156.7) |
| Net cash at bank | 140.8 | 170.8 | 492.7 |
| Convertible bond debt (OCEANE) | (180.1) | (190.5) | (182.2) |
| Non-convertible bond debt (Euro PP) | (55.5) | (55.5) | (56.3) |
| Non-convertible bond debt (Schuldschein) | (35.1) | (150.2) | (150.0) |
| Contracts and receivables refinanced with recourse and other | (87.1) | (77.6) | (83.8) |
| Net financial debt | (217.0) | (303.0) | - |
| Net cash surplus | - | - | 20.2 |

2.3. Key figures by business

Revenue and ROP (before amortisation of intangible assets from acquisitions) of break down as follows:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* | First-half 2020 *** | Total growth ** | Organic growth *** |
|-----------------------------------|--------------------|---------------------------------|------------------------|-----------------------|--------------------------|
| Digital Services & Solutions | 793.8 | 750.6 | 736.8 | +5.8% | +7.7% |
| Technology Management & Financing | 445.7 | 475.1 | 481.7 | -6.2% | -7.5% |
| Revenue | 1,239.5 | 1,225.7 | 1,218.5 | +1.1% | +1.7% |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

** At constant standards

*** At constant exchange rate and on a like-for-like basis

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* | First-half 2020** | ROP (as a % of H1 2021 revenue) | ROP (as a % of H1 2020 revenue)* |
|-----------------------------------|--------------------|---------------------------------|----------------------|--|---|
| Digital Services & Solutions | 44.8 | 34.3 | 34.1 | 5.6% | 4.6% |
| Technology Management & Financing | 17.5 | 10.3 | 10.3 | 3.9% | 2.1% |
| ROP ⁽¹⁾ | 62.3 | 44.6 | 44.3 | 5.0% | 3.6% |

(1) Before amortisation of intangible assets from acquisitions.

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

** At constant exchange rate and on a like-for-like basis

The Digital Services & Solutions business recorded revenue growth of 5.8% at constant standards, including 7.7% organic. This growth focused on two business lines, Products & Solutions and Services. The former benefited from the economic recovery in European countries and the ever-growing demand for digital assets. Organic growth was 9.9% despite the tensions experienced in supply. In Services, organic growth totalled 3.7% thanks to a return to more normal business volumes in projects and consulting, which had been affected by the impact of the general lockdown in Europe last year. ROP¹ of the Digital Services & Solutions business amounted to €44.8 million, up sharply compared to that of the first half of 2020, due to the cost reduction measures that benefited this business and the ramp-up of higher value-added projects.

At constant standards and on a like-for-like basis, the TMF business saw an organic decline of 7.5% in revenue to €445.7 million at the end of June 2021. The decline in TMF revenue in France and Benelux could not be offset by the organic growth achieved in all other geographies. ROP¹ of the TMF business amounted to €17.5 million, up compared to that of the first half of 2020, with business profitability rising by 1.8 pt to 3.9%.

2.4. Key figures by region

Revenue by region breaks down as follows:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* | First-half 2020 *** | Total growth** | Organic growth** |
|---------------------------|----------------------------|--|--------------------------------|---------------------------|-----------------------------|
| France | 647.6 | 651.6 | 650.5 | -0.6% | -0.4% |
| Benelux | 169.5 | 183.0 | 182.2 | -7.4% | -7.0% |
| Southern Europe | 249.1 | 220.8 | 220.8 | +12.8% | +12.8% |
| Northern & Eastern Europe | 110.5 | 102.0 | 101.9 | +8.3% | +8.4% |
| Americas | 62.7 | 68.2 | 63.0 | -8.0% | -0.4% |
| Total revenue | 1,239.5 | 1,225.7 | 1,218.5 | +1.1% | +1.7% |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

** At constant standards

*** At constant exchange rate and on a like-for-like basis

Organic revenue growth was driven by the Southern Europe and Northern and Eastern Europe regions due to strong growth in the Digital Services & Solutions business in these regions. Conversely, in the Benelux region, the more limited growth of the DSS business did not make it possible to offset the decline in the TMF business linked to an unfavourable base effect due to the signing in June 2020 of a new major contract in Belgium.

3. Outlook

In the second half of the year, the Group will continue to focus on the development of its activities by accelerating hiring plan for sales teams, reinvesting in its offers and further implementing its targeted acquisition policy.

Given these items, the Group confirms its full confidence in its ability to deliver sustained and sustainable growth in the coming years.

4. Risk factors and disputes

The risk factors described in the 2020 annual report did not change significantly during the first half of 2021.

5. Related parties

There has been no major change in related parties since the publication of the 2020 annual report.

6. Human resources

Econocom Group employed 8,895 people at 30 June 2021, compared with 9,240 at 31 December 2020.

7. Share price and ownership structure

The Econocom share closed at €3.20 on 30 June 2021. The Econocom Group share (BE0974313455 – ECONB) has been listed on NYSE Euronext in Brussels since 1986 and is part of the Bel Mid and Family Business indices.

The following changes took place in the ownership structure:

| <i>as a % of share capital</i> | 30 June 2021 | | 31 December 2020 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | % of share capital | % of voting rights | % of share capital | % of voting rights |
| Companies controlled by Jean-Louis Bouchard | 40.36% | 59.97% | 40.36% | 54.21% |
| Public shareholders | 44.25% | 40.03% | 55.21% | 45.79% |
| Treasury shares | 15.39% | - | 4.43% | - |
| Total | 100% | 100% | 100% | 100% |

On 4 February 2021, BIS BV, a subsidiary of Econocom Group, entered into an agreement under which it acquired the 6.01% stake (*i.e.* 13,278,091 shares) held by two companies controlled by Walter Butler (namely Butler Industries Benelux SA and Butler Industries) in the share capital of Econocom Group SE. The selling price agreed was €2.825 per Econocom Group SE share.

On 19 February 2021, the Econocom Group received joint notification of a threshold crossing by Jean-Louis Bouchard of Econocom International BV, Econocom Group SE and BIS BV, an indirect subsidiary of the Econocom Group. Econocom International BV informed that it exceeded the threshold of 60% of the Company's voting rights on 12 February 2021 following the acquisition by BIS BV of the 6.01% stake (13,278,091 shares) held by the two companies controlled by Walter Butler in the share capital of Econocom Group SE.

As of 30 June 2021, Econocom Group SE holds its own shares directly up to 7.87% (*i.e.* 17,538,310 shares) and indirectly via BIS BV for a total of 7.45% (*i.e.* 16,445,090 shares). This treasury stock was strengthened during the first half of 2021 following the buyback of the shares from Walter Butler (*i.e.* 13,278,091 shares) and purchases on the market of 10,926,142 shares.

02

Consolidated financial statements*

* unaudited

1. Condensed consolidated income statement and earnings per share

For the six-month periods ended 30 June 2021 and 30 June 2020

| <i>in € millions</i> | Notes | First-half 2021 | First-half 2020 restated* |
|---|------------|------------------|---------------------------|
| Revenue from continuing operations | 5.3 | 1,239.5 | 1,225.7 |
| Operating expenses | 5.4 | (1,178.3) | (1,182.1) |
| Cost of sales | | (872.2) | (874.5) |
| Employee benefits expense | | (240.8) | (232.1) |
| External expenses | | (60.2) | (58.9) |
| Depreciation, amortisation and provisions | | (16.7) | (15.0) |
| Net impairment losses on current and non-current assets | | 7.1 | (1.6) |
| Taxes (other than income taxes) | | (5.9) | (6.0) |
| Other operating income and expenses | | 6.7 | 2.9 |
| Net financial income – operating activities | | 3.7 | 3.1 |
| Profit (loss) from continuing ordinary operations before amortisation of intangible assets from acquisitions | | 62.3 | 44.6 |
| Profit (loss) from continuing ordinary operations | | 61.1 | 43.6 |
| Other non-recurring operating income and expenses | 5.5 | (7.6) | (23.6) |
| Operating profit | | 53.5 | 20.0 |
| Other financial income and expenses | 5.6 | (7.4) | (8.5) |
| Profit (loss) before tax | | 46.1 | 11.5 |
| Income tax expense | 5.7 | (14.8) | (5.7) |
| Profit (loss) from continuing operations | | 31.3 | 5.8 |
| Share of profit (loss) of associates and joint ventures | | (0.1) | - |
| Profit (loss) from discontinued operations | 5.1.4 | (1.1) | 16.3 |
| Profit for the period | | 30.1 | 22.1 |
| Non-controlling interests | | 2.5 | 0.9 |
| Profit for the period attributable to owners of the parent | | 27.6 | 21.2 |
| Recurring net profit attributable to owners of the parent ⁽¹⁾ | | 34.8 | 22.7 |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

02 consolidated financial statements

| <i>(attributable to owners of the parent, in €)</i> | Notes | First-half 2021 | First-half 2020 restated* |
|--|------------|--------------------|------------------------------|
| Basic earnings per share – continuing operations | | 0.147 | 0.023 |
| Basic earnings per share – discontinued operations | | (0.005) | 0.075 |
| Basic earnings per share | 5.8 | 0.141 | 0.097 |
| Diluted earnings per share – continuing operations | | 0.145 | 0.023 |
| Diluted earnings per share – discontinued operations | | (0.005) | 0.074 |
| Diluted earnings per share | 5.8 | 0.139 | 0.097 |
| Recurring net earnings per share ⁽¹⁾ | | 0.178 | 0.104 |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the 1st half of 2020.

- (1) Recurring net profit attributable to owners of the parent has been the key performance indicator used by Econocom to assess its economic and financial performance. It does not include:
- amortisation of intangible assets from acquisitions, net of tax effects;
 - other non-recurring operating income and expenses, net of tax effects;
 - other non-recurring financial income and expense, net of tax effects;
 - profit from discontinued operations.

A table showing the reconciliation of profit attributable to owners of the parent with recurring profit attributable to owners of the parent is included in section 2.1 of the Management Report.

Statement of consolidated comprehensive income

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|----------------------------|--|
| Profit for the period | 30.1 | 22.1 |
| items that will not be reclassified to profit or loss | (0.2) | 0.4 |
| Remeasurements of the net liabilities (assets) under defined benefit plans | (0.2) | 0.8 |
| Deferred income tax expense on the remeasurement of the liabilities (assets) for defined benefit plans | - | (0.3) |
| Items that may be reclassified to profit or loss | 1.4 | 0.4 |
| Change in fair value of cash flow hedges | (0.2) | (0.2) |
| Deferred taxes arising on change in value of cash flow hedges | 0.0 | 0.0 |
| Foreign currency translation adjustments | 1.5 | 0.6 |
| Other comprehensive income (expense) | 1.2 | 0.8 |
| Total comprehensive income for the period | 31.2 | 22.9 |
| Attributable to non-controlling interests | 2.6 | 0.9 |
| Attributable to owners of the parent | 28.7 | 22.0 |

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2020 of activities considered to be discontinued in the 1st half of 2021 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the 1st half of 2020.

2. Consolidated statement of financial position

Asset

| <i>in € millions</i> | Notes | 30 June 2021 | 31 Dec. 2020 |
|------------------------------------|--------|-----------------|-----------------|
| Non-current assets | | | |
| Intangible assets | 5.10.1 | 44.0 | 47.6 |
| Goodwill | 5.9 | 490.9 | 499.5 |
| Property, plant and equipment | 5.10.2 | 34.1 | 35.2 |
| Rights of use assets | 5.10.2 | 61.4 | 54.7 |
| Non-Current financial assets | 5.10.3 | 27.1 | 30.5 |
| Residual interest in leased assets | 5.12 | 122.0 | 134.3 |
| Other long-term receivables | 5.11 | 23.7 | 24.5 |
| Deferred tax assets | | 39.0 | 37.8 |
| Total non-current assets | | 842.1 | 864.2 |
| Current assets | | | |
| Inventories | 5.14.1 | 112.5 | 76.7 |
| Trade and other receivables* | 5.14.2 | 839.1 | 894.1 |
| Residual interest in leased assets | 5.12 | 52.8 | 40.9 |
| Current tax assets | | 11.4 | 12.6 |
| Contract assets | 5.14.2 | 19.3 | 17.4 |
| Other current assets | 5.14.2 | 25.2 | 30.4 |
| Cash and cash equivalents | 5.15.1 | 299.7 | 649.3 |
| Assets held for sale | 5.1.4 | 96.6 | 74.3 |
| Total current assets | | 1,456.6 | 1,795.7 |
| Total assets | | 2,298.7 | 2,659.8 |

* of which own-booked outstanding rentals: €193.1 million at 30 June 2021 versus €185.9 million at 31 December 2020.

Liabilities

| <i>in € millions</i> | Notes | 30 June 2021 | 31 Dec. 2020 |
|--|---------------|-----------------|-----------------|
| Share capital | 5.16.1 | 23.5 | 23.5 |
| Additional paid-in capital and reserves | | 288.7 | 335.8 |
| Profit for the period attributable to owners of the parent | | 27.6 | 46.8 |
| Equity attributable to owners of the parent | 5.16.2 | 339.8 | 406.1 |
| Non-controlling interests | 5.16.5 | 69.9 | 66.9 |
| Total equity | | 409.7 | 472.9 |
| Non-current liabilities | | | |
| Bonds loans* | 5.15.2 | 246.1 | 248.7 |
| Financial liabilities* | 5.15.2 | 108.7 | 75.9 |
| Gross liability for purchases of leased assets | 5.13 | 72.9 | 75.9 |
| Long-term lease liabilities | | 46.9 | 35.0 |
| Provisions | 5.17 | 7.6 | 11.5 |
| Provisions for pensions and other post-employment benefit obligations. | | 41.7 | 41.8 |
| Other non-current liabilities | 5.14.4 | 54.3 | 55.1 |
| Deferred tax liabilities | | 17.7 | 11.8 |
| Total non-current liabilities | | 595.9 | 555.8 |
| Current liabilities | | | |
| Bonds loans* | 5.15.2 | 24.8 | 139.9 |
| Financial liabilities* | 5.15.2 | 137.2 | 164.5 |
| Gross liability for purchases of leased assets | 5.13 | 27.4 | 27.8 |
| Short-term lease liabilities | | 18.9 | 22.5 |
| Provisions | 5.17 | 29.4 | 37.7 |
| Current tax liabilities | | 15.0 | 13.2 |
| Trade and other payables | 5.14.3 | 838.3 | 992.1 |
| Contract liabilities | | 37.3 | 62.9 |
| Other current liabilities | 5.14.3 | 117.6 | 140.9 |
| Liabilities held for sale | 5.1.4 | 47.2 | 29.5 |
| Total current liabilities | | 1,293.1 | 1,631.1 |
| Total equity and liabilities | | 2,298.7 | 2,659.8 |

* After deducting cash and cash equivalents of €299.7 million at 30 June 2021 (and €649.3 million at 31 December 2020), net debt amounted to €217.0 million at 30 June 2021 (compared to a cash surplus of €20.2 million at 31 December 2020); this net debt includes in particular €193.1 million at 30 June 2021 (and €185.9 million at 31 December 2020) corresponding to the financing of the self-supporting leases of the TMF activity.

3. Consolidated statement of changes in equity

As at 30 June 2020 and 30 June 2021

| <i>In € millions</i> | Number of shares | Share capital | Additional paid-in capital | Treasury shares | Consolidated reserves and retained earnings | Other comprehensive income (expense) | Equity attributable to owners of the parent | Equity attributable to non-controlling interests | Total equity |
|---|--------------------|---------------|----------------------------|-----------------|---|--------------------------------------|---|--|--------------|
| Balance at 1st January 2020 | 245,380,430 | 23.5 | 213.6 | (90.9) | 270.6 | (6.5) | 410.3 | 73.6 | 483.9 |
| Profit for the period | - | - | - | - | 21.2 | - | 21.2 | 0.9 | 22.1 |
| Other comprehensive income (expense), net of tax | - | - | - | - | - | (2.1) | (2.1) | - | (2.1) |
| Total comprehensive income for first-half 2020 | - | - | - | - | 21.2 | (2.1) | 19.1 | 0.9 | 20.0 |
| Share-based payments | - | - | - | - | - | 0.5 | 0.5 | - | 0.5 |
| Refund of issue premiums (paid in July) | - | - | - | - | - | - | - | - | - |
| Capital increase | - | - | - | - | - | - | - | - | - |
| Treasury share transactions, net | (24,500,000) | - | - | (7.1) | - | - | (7.1) | - | (7.1) |
| Put and call options on non-controlling interests initial recognition | - | - | - | - | - | - | - | - | - |
| Put and call options on non-controlling interests change in fair value | - | - | - | - | - | 0.3 | 0.3 | - | 0.3 |
| Other transactions and transactions with an impact on non-controlling interests | - | - | - | - | - | 0.5 | 0.5 | (0.4) | 0.1 |
| Balance at 30 June 2020 | 220,880,430 | 23.5 | 213.6 | (97.9) | 291.7 | (7.3) | 423.5 | 74.1 | 497.7 |

02 consolidated financial statements

| <i>In € millions</i> | Number of shares | Share capital | Additional paid-in capital | Treasury shares | Consolidated reserves and retained earnings | Other comprehensive income | Equity attributable to owners of the parent | Equity attributable to non-controlling interests | Total equity |
|---|--------------------|---------------|----------------------------|-----------------|---|----------------------------|---|--|--------------|
| Balance at 1st January 2021 | 220,880,430 | 23.5 | 213.6 | (23.0) | 198.1 | (6.1) | 406.1 | 66.9 | 472.9 |
| Profit for the period | - | - | - | - | 27.6 | - | 27.6 | 2.5 | 30.1 |
| Other comprehensive income (expense), net of tax | - | - | - | - | - | 1.1 | 1.1 | 0.1 | 1.2 |
| Total comprehensive income for first-half 2021 | - | - | - | - | 27.6 | 1.1 | 28.7 | 2.6 | 31.2 |
| Share-based payments | - | - | - | - | - | 0.8 | 0.8 | - | 0.8 |
| Refund of issue premiums (paid in July) | - | - | (24.4) | - | - | - | (24.4) | - | (24.4) |
| Capital increase | - | - | - | - | - | - | - | - | - |
| Treasury share transactions, net | - | - | - | (72.0) | - | - | (72.0) | - | (72.0) |
| Put and call options on non-controlling interests initial recognition | - | - | - | - | - | - | - | - | - |
| Put and call options on non-controlling interests change in fair value | - | - | - | - | - | 0.3 | 0.3 | (0.3) | - |
| Other transactions and transactions with an impact on non-controlling interests | - | - | - | - | - | 0.4 | 0.4 | 0.8 | 1.2 |
| Balance at 30 June 2021 | 220,880,430 | 23.5 | 189.2 | (95.0) | 225.6 | (3.5) | 339.8 | 69.9 | 409.7 |

4. Consolidated statement of cash flows

For the six-month periods ended 30 June 2021 and 30 June 2020

| <i>in € millions</i> | Notes | First-half 2021 | First-half 2020 restated* |
|--|---------------|--------------------|---------------------------------|
| Profit (loss) from continuing operations | | 31.3 | 5.8 |
| Provisions, depreciation, amortisation and impairment | 5.18.1.1 | 8.2 | 19.3 |
| Elimination of the impact of residual interest in leased assets | 5.18.1.1 | (0.2) | (8.3) |
| Other non-cash expenses (income) | 5.18.1.1 | (0.5) | 0.3 |
| Cash flows from operating activities after cost of net debt and income tax | | 38.8 | 17.2 |
| Income tax expense | 5.7 | 14.8 | 6.9 |
| Cost of net debt | | 6.5 | 7.2 |
| Cash flows from operating activities before cost of net debt and income tax (a) | | 60.2 | 31.3 |
| Change in working capital requirement (b), of which: | 5.18.1.2 | (180.7) | (134.8) |
| <i>Investments in own-booked TMF contracts</i> | | (7.2) | (43.8) |
| <i>Other changes in working capital requirement</i> | | (173.4) | (91.0) |
| Tax paid before tax credits (c) | | (9.4) | (12.2) |
| Net cash from (used in) operating activities (a+b+c=d) | 5.18.1 | (129.9) | (115.6) |
| Acquisition of property, plant and equipment and intangible assets | 5.18.2 | (9.3) | (4.8) |
| Disposal of property, plant and equipment and intangible assets | | 2.5 | - |
| Acquisition of non-current financial assets | | (3.0) | (0.2) |
| Disposal of non-current financial assets | | 5.8 | 1.0 |
| Acquisition of companies and businesses, net of cash acquired | 5.18.2 | (8.6) | (2.5) |
| Disposal of companies and businesses, net of cash acquired | | - | 92.5 |
| Net cash from (used in) investing activities (e) | 5.18.2 | (12.7) | 86.0 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

02 consolidated financial statements

| <i>in € millions</i> | Notes | First-half 2021 | First-half 2020 restated* |
|--|---------------|--------------------|---------------------------------|
| OCEANE buybacks | | (3.3) | - |
| Capital increases in subsidiaries | | 0.8 | - |
| Purchases of treasury shares (net of sales) | | (72.0) | (7.0) |
| Payments to shareholders during the period | | - | 0.1 |
| Changes in refinancing liabilities on lease contracts and liabilities on self-funded contracts | | 5.3 | (15.6) |
| Increase in financial liabilities | | 34.3 | 176.1 |
| Refund of financial liabilities | | (130.6) | (56.4) |
| Net change in commercial paper | | (19.5) | (190.0) |
| Main components of payments coming from leases | | (9.3) | (11.0) |
| Interest paid | | (6.7) | (8.5) |
| Net cash from (used in) financing activities (f) | 5.18.3 | (201.0) | (112.4) |
| Impact of exchange rates on cash and cash equivalents (g) | | 0.9 | (0.3) |
| Net change in cash and cash equivalents from discontinued operations (h) | | (7.9) | 4.7 |
| Change in net cash and cash equivalents (d+e+f+g+h) | | (350.5) | (137.5) |
| Net cash and cash equivalents at beginning of period ⁽¹⁾ | 5.15 | 648.5 | 575.6 |
| Change in cash and cash equivalents | | (350.5) | (137.5) |
| Net cash and cash equivalents at end of period ⁽¹⁾ | 5.15 | 298.1 | 438.1 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

(1) Net of bank overdrafts: €1.7 million at 30 June 2021 and €39.9 million at 30 June 2020.

Key movements in the consolidated statement of cash flows are explained in note 5.18.

5. Notes to the consolidated financial statements

5.1. Accounting policies

5.1.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared on a going concern basis, in accordance with IAS 34 (Interim Financial Reporting) and with IFRS as adopted by the European Union on 30 June 2021.⁴

The simplified consolidated financial statements of Econocom Group include the financial statements of Econocom Group SE and its subsidiaries. They are presented in millions of euros. Amounts have been rounded off to the nearest decimal point and in certain cases, this may result in minor discrepancies in the totals and sub-totals in the tables.

Econocom Group SE, the Group's parent company, is a European company (*societas Europaea*) with its registered office at Place du Champ de Mars, 5, 1050 Brussels. The Company is registered with the Brussels companies registry under number 0422 646 816 and is listed on Euronext Brussels.

They were approved for issue by the Board of Directors on 21 July 2021 and have not been reviewed by the Statutory Auditor.

The accounting policies used in the half-year financial statements are the same as those used to prepare the financial statements for the year ended 31 December 2020, as described in the 2020 annual report, except for the items described in section 5.1.2.1 below on accounting standards that are mandatorily applicable as of 1 January 2021.

The half-year financial statements therefore comply with the disclosure requirements of IAS 34 and as such should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2020 included in the 2020 annual report.

The specific features of the preparation of interim financial statements are as follows.

⁴Available at https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

5.1.1.1. Assessment methods specific to interim financial statements

5.1.1.1.1. Provisions for post-employment benefits

The post-employment benefit expense for the first half of 2020 is calculated on the basis of actuarial assessments made at the end of the previous period. Where applicable, these assessments are adjusted to allow for curtailments, settlements or other major non-recurring events which took place during the half-year period.

The Covid-19 pandemic has not had a significant impact on the discount rate.

5.1.1.1.2. Income tax

In the half-year financial statements, current and deferred income tax expense is calculated by multiplying accounting profit for the period, for each tax entity, by the estimated average income tax rate for the current year. Where applicable, this expense is adjusted for the tax impact of non-recurring items during the period.

5.1.1.1.3. Fair value measurement of financial assets and liabilities

For the interim financial statements, the fair value measurement is determined using the same method as the annual financial statements.

The fair value of financial instruments is determined using market prices resulting from trades on a national stock exchange or over-the-counter markets. When no market price is available, fair value is measured using other valuation methods such as discounted future cash flows.

In any event, estimates of market value are based on certain interpretations required when measuring financial assets.

As such, these estimates do not necessarily reflect the amounts that the Group would actually receive or pay if the instruments were traded on the market. The use of different estimates, methods and assumptions may have a material impact on estimated fair values.

5.1.1.2. Use of estimates

The preparation of Econocom Group's condensed consolidated half-year financial statements requires the use of various estimates and assumptions deemed realistic or reasonable. Events or circumstances may result in changes to these estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or profit.

The main accounting policies requiring the use of estimates generally concern:

- goodwill impairment;
- measurement of residual interest (Technology Management & Financing business);
- measurement of provisions;
- term of lease used as a firm commitment period for the application of IFRS 16 to leases.

At the date on which the Board of Directors reviewed the condensed consolidated half-year financial statements, it considered that the estimates best reflected all of the information available to it.

5.1.2. NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

5.1.2.1. Standards, amendments and interpretations adopted by the European Union and applicable at 1 January 2021

The standards, amendments to standards and interpretations, published by the IASB and presented below are mandatory since 1 January 2021:

- Amendments to IFRS 4, extension of the temporary exemption from applying IFRS 9;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform, phase 2.

These did not have a material impact on the Group's financial statements.

5.1.2.2. Standards, amendments and interpretations not yet adopted by the European Union

In the absence of their definitive adoption by the European Union, the Group has not anticipated the application of the following standards and interpretations:

- IFRS 17 "Insurance Contracts";
- Amendment to IAS 1 "Presentation of financial statements: Classification of liabilities as current or non-current";
- Amendments to IAS 16 "Property, plant and equipment – Proceeds before intended use";
- Amendment to IAS 37 "Onerous Contracts – Cost of fulfilling a contract";
- Improvements to IFRS 2018 - 2020 cycle
 - IAS 41 "Taxation in Fair Value Measurements",
 - IFRS 9 "Derecognition of financial liabilities: Fees in the '10 per cent' test",
 - IFRS 16 "Lease Incentives";
- Amendments to IAS 1 "Disclosure of accounting policies";
- Amendments to IAS 8 "Definition of Accounting Estimates";
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021";
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction".

The Group is currently in the process of assessing any impacts of the first application of these texts.

5.1.3. CHANGES IN ACCOUNTING POLICY

Outside the standards, amendments, interpretations adopted by the European Union and applicable on 1 January 2021, the Group has not made any changes in accounting policies.

5.1.4. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE, DISCONTINUED OPERATIONS

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations requires a specific accounting treatment and presentation of assets held for sale and discontinued operations (corresponding to operations that have been disposed of or classified as held for sale).

A non-current asset or group of directly related assets and liabilities, is classified as “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or asset group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to the sale and the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

These assets (or disposal group) are measured at the lower of their book value and estimated sale price less costs to sell. These assets cease to be amortised from the moment they qualify as “assets (or group of assets) held for sale”. They are presented on a separate line on the Group balance sheet, without restatement of previous periods.

An operation discontinued, sold, or held for sale is defined as a component of an entity with cash flows that can be clearly distinguished from the rest of the entity and which represents a major, separate line of business or area of operations. For all published periods, income and expense relating to discontinued operations are presented separately in the income statement under “Profit (loss) from discontinued operations” and are restated in the statement of cash flows.

5.1.4.1. Discontinued operations

A discontinued operation (stopped, disposed of) is a component which the Group has either disposed of or has classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single, coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

02 consolidated financial statements

Profit from discontinued operations includes:

- the post-tax profit or loss of discontinued operations generated up until the disposal date, or until the end of the reporting period if the business was not disposed of by the year-end;
- the post-tax gain or loss recognised on the disposal of continued operations that have been disposed of by the year-end.

5.1.4.2. Main developments

In the first half of 2021, the Board of Directors added two entities to the list of non-strategic activities and entities intended to be discontinued or disposed of. Consequently, the accounts at June 2020 have been restated in order to ensure comparability of periods, reclassifying the activities of these entities as “Net income from discontinued operations” in accordance with IFRS5.

5.1.4.3. Impacts of discontinued operations on the income statement

The net income from these activities is presented on a distinct line of the income statement, under “Net income from discontinued operations”. In accordance with IFRS 5, comparative figures are restated. The application of IFRS 5 impacts the 2021 and 2020 interim consolidated income statements of continued operations as follows:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|------------------------|----------------------------------|
| Revenue from continuing operations | 34.4 | 80.0 |
| Operating expenses | (38.7) | (80.0) |
| Profit (loss) from continuing ordinary operations | (4.2) | (0.0) |
| Other non-recurring operating income and expenses | 2.4 | 18.7 |
| Operating profit | (1.8) | 18.6 |
| Other financial income and expenses | (0.1) | (0.3) |
| Profit (loss) before tax | (1.9) | 18.3 |
| Income tax expense | 0.9 | (2.1) |
| Profit (loss) from discontinued operations | (1.1) | 16.3 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.1.4.4. Assets and liabilities held for sale

The assets and liabilities of these activities are presented on separate lines of the statement of financial position. At 30 June 2021 and at 31 December 2020, the application of IFRS 5 impacted the consolidated statement of financial position as follows:

| <i>in € millions</i> | First-half 2021 | 31 December 2020 |
|----------------------------------|------------------------|-------------------------|
| Goodwill | 13.6 | 6.0 |
| Other non-current assets | 30.6 | 27.1 |
| Current assets | 45.9 | 34.6 |
| Cash and cash equivalents | 6.4 | 6.6 |
| Assets held for sale | 96.6 | 74.3 |
| Non-current liabilities | 5.7 | 5.6 |
| Current liabilities | 41.4 | 23.8 |
| Liabilities held for sale | 47.2 | 29.5 |

5.2. Changes in the scope of consolidation in the first half of 2021

5.2.1. DISPOSALS

- **Aragon:** in February 2021, the Group sold all of the shares in Aragon resulting in a capital gain that impacted the “Profit (loss) from discontinued operations” line on the income statement.

5.2.2. ACQUISITIONS

No significant acquisition occurred in the first half of 2021.

5.2.3. OTHER CHANGES IN SCOPE OF CONSOLIDATION

- **Abeilles Financement and Caroline 89:** as part of the financing of the two tugs acquired by Les Abeilles in June 2021, two special purpose entities were created; the Group consolidated them at that date, considering that it controls them within the meaning of IFRS 10 although it does not hold the shares.
- **Econocom Austria:** following the discontinuation of the Company’s activities, the Group decided to no longer consolidate it as from 1 June.
- **JTRS:** in June 2021, the Group entered into an agreement to sell its entire stake in JTRS, which was consolidated under the equity method and was removed from the scope of consolidation as of the 1 June.

5.2.4. CHANGES IN OWNERSHIP INTEREST

- **Infeeny:** the Group exercised its purchase options regarding certain non-controlling interests; increasing its stake from 93.77% to 98.00% as of 30 June 2021.

5.3. Segment information

The Group's activity is broken down into two operating business segments:

- Digital Services & Solutions (DSS), which includes Services and Products & Solutions; and
- Technology Management & Financing (TMF).

Internal transactions include:

- sales of goods and services: the Group ensures that these transactions are performed at arm's length and that it does not carry any significant internal margins;
- cross-charging of overheads and employee benefits expense.

The Group's segment profit corresponds to "Profit (loss) from continuing operations". This corresponds to profit (loss) from operating activities before non-recurring operating income and expenses and amortisation of intangible assets from acquisitions.

5.3.1. INFORMATION BY OPERATING BUSINESS SEGMENT

The following table presents the contribution of each operating business segment to the Group's results.

| <i>in € millions</i> | DSS | TMF | Total |
|--|--------------|--------------|----------------|
| First-half 2021 | | | |
| Revenue from external customers | 793.8 | 445.7 | 1,239.5 |
| Internal revenue | 90.7 | 0.1 | 90.8 |
| Total - Revenue from operating segments | 884.5 | 445.8 | 1,330.3 |
| Profit (loss) from continuing ordinary operations | 44.8 | 17.5 | 62.3 |
| Amortisation of intangible assets from acquisitions | - | (1.1) | (1.1) |
| Profit (loss) from continuing ordinary operations | 44.8 | 16.5 | 61.1 |
| First-half 2020 restated* | | | |
| Revenue from external customers | 750.6 | 475.1 | 1,225.7 |
| Internal revenue | 173.4 | 10.9 | 184.3 |
| Total - Revenue from operating segments | 924.0 | 486.0 | 1,410.0 |
| Profit (loss) from continuing ordinary operations | 34.4 | 10.3 | 44.6 |
| Amortisation of intangible assets from acquisitions | - | (1.0) | (1.0) |
| Profit (loss) from continuing ordinary operations | 34.4 | 9.3 | 43.6 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.3.2. REVENUE BY REGION

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|---------------------------|----------------------------|--------------------------------------|
| France | 647.6 | 651.6 |
| Benelux | 169.5 | 183.0 |
| Southern Europe | 249.1 | 220.8 |
| Northern & Eastern Europe | 110.5 | 102.0 |
| Americas | 62.7 | 68.2 |
| Total | 1,239.5 | 1,225.7 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.4. Operating expenses

5.4.1. EMPLOYEE BENEFITS EXPENSE

The following table presents a breakdown of employee benefits expense:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--------------------------|----------------------------|--------------------------------------|
| Wages and salaries | (172.6) | (166.0) |
| Social costs | (57.1) | (57.3) |
| Other personnel expenses | (11.1) | (8.9) |
| Total | (240.8) | (232.1) |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.4.2. EXTERNAL EXPENSES

The following table presents a breakdown of external expenses:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|---|----------------------------|--|
| Fees paid to intermediaries and other professionals | (25.0) | (22.8) |
| Agents' commissions | (5.1) | (5.1) |
| External services (rent, maintenance, insurance, etc.) | (9.8) | (14.3) |
| Other external expenses (subcontracting, public relations, transport, etc.) | (20.3) | (16.8) |
| Total | (60.2) | (58.9) |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.4.3. ADDITIONS TO AND REVERSALS OF DEPRECIATION, AMORTISATION AND PROVISIONS

Additions to and reversals of depreciation, amortisation and provisions break down as follows:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|------------------------|----------------------------------|
| Intangible assets: franchises, patents, licences and similar rights, business assets | (15.1) | (15.9) |
| Property, plant and equipment (leased assets) | - | (0.1) |
| Other property, plant and equipment | (5.3) | (5.1) |
| Depreciation and amortisation | (20.4) | (21.1) |
| Additions to and reversals of provisions for operating contingencies and expenses | 3.7 | 6.1 |
| Total | (16.7) | (15.0) |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.4.4. NET IMPAIRMENT LOSSES ON CURRENT AND NON-CURRENT ASSETS

Net impairment losses on current and non-current assets break down as follows:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|------------------------|----------------------------------|
| Impairment of inventories | (0.4) | (0.6) |
| Reversals of impairment of inventories | 0.7 | 0.3 |
| Net impairment losses/gains – inventories | 0.3 | (0.3) |
| Impairment of doubtful receivables | (1.7) | (15.5) |
| Reversals of impairment of doubtful receivables | 10.5 | 15.0 |
| Gains and losses on receivables | (1.8) | (0.4) |
| Net impairment losses/gains – trade receivables | 7.0 | (0.9) |
| Losses/gains on other asset realisations | (0.1) | (0.4) |
| Total | 7.1 | (1.6) |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.4.5. OTHER RECURRING OPERATING INCOME AND EXPENSES

Other recurring operating income and expenses break down as follows:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|---|----------------------------|--------------------------------------|
| Cross-charging and indemnities received | 6.3 | 9.6 |
| Capital losses on sales of property, plant and equipment and intangible assets – recurring operating activities | - | (0.1) |
| Cross-charging and indemnities paid | 0.4 | (6.6) |
| Total | 6.7 | 2.9 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.4.6. NET FINANCE INCOME (EXPENSE) FROM OPERATIONS

The following table breaks down financial income and expenses relating to operating activities by type of income/expenses:

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|----------------------------|--------------------------------------|
| Financial income related to Technology Management & Financing operations | 8.5 | 13.5 |
| Miscellaneous financial income from operating activities | 0.2 | 0.5 |
| Total financial income – operating activities | 8.8 | 14.0 |
| Financial expenses related to TMF operations | (6.3) | (10.1) |
| Miscellaneous financial expenses from operating activities | (0.2) | (0.4) |
| Exchange losses | 1.3 | (0.4) |
| Total financial expenses – operating activities | (5.1) | (10.9) |
| Total | 3.7 | 3.1 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

5.5. Other non-recurring operating income and expenses

Other non-recurring operating income and expenses mainly include:

- restructuring costs and costs associated with downsizing plans;
- the costs of relocating premises;
- costs relating to acquisitions (acquisition fees);
- changes in the fair value of acquisition related liabilities (contingent consideration); changes in the fair value of put and call options to buy out non-controlling interests are recognised directly in equity;

02 consolidated financial statements

- material gains and losses on disposals of property, plant and equipment and intangible assets, or of operating assets and continuing operations;
- goodwill impairment losses;
- and, more generally, income and expenses that are deemed unusual in terms of their frequency, nature or amount.

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|------------------------|----------------------------------|
| Restructuring costs | (3.5) | (6.9) |
| Costs linked to the Covid-19 pandemic | (0.5) | (4.8) |
| Impairments of fixed assets | (2.9) | (2.7) |
| Other | (0.7) | (9.2) |
| Other non-recurring operating income and expenses | (7.6) | (23.6) |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

Costs linked to reorganisations correspond to the latest impacts of the transformation plan launched in 2019 and the continuation during the period of the performance improvement plans. In the first half of 2021, these costs linked to re-organisation, net of provision writebacks, amounted to €3.5 million; they relate to all of the group's activities.

In the first half of 2020, other non-current operating charges also included the costs linked to the Covid-19 pandemic. In accordance with its definition of "Other non-recurring operating income and expenses" noted above, the Group had put certain additional significant costs, which would not have been incurred without the health crisis, in this category. The presentation under the heading "Other operating income and expenses" was relevant to the understanding of the Group's financial performance. They were mainly costs directly and specifically incurred to enable the continuation of activity (purchase of masks, gels, signs, computer licenses and equipment, spending on the refurbishment of premises etc.). In addition, still on the basis of the definition above, "Other non-recurring operating income and expenses" included the net costs of resources which are vacant as a result of the health crisis (expenses which the Group is still responsible for, for staff on sick leave or short-time work, net of the support measures put in place by the various governments, compensation paid to sub-contractors etc.). Once the health crisis was over and as soon as these resources ceased to be vacant, their costs were once again classified under profit (loss) from current operating activities.

Finally, other non-current income and expenses includes the net amounts allocated in the first half of 2020, notably in connection with the events of June 2019 in Italy and with other unusual events elsewhere.

5.6. Net finance income (expense)

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|---|-----------------|---------------------------|
| Financial income | 0.3 | 0.1 |
| Interest expense on bonds | (4.4) | (5.1) |
| Expenses on non-current liabilities | (0.1) | - |
| Interest cost of retirement benefits and other post employment benefits | (0.1) | (0.1) |
| Interest on short-term financing | (1.1) | (1.3) |
| Financial expenses on factoring | (1.3) | (1.2) |
| Interest expense on lease liabilities (IFRS 16) | (0.7) | (0.8) |
| Other financial expenses | (0.1) | - |
| Financial expenses | (7.8) | (8.5) |
| Net finance income (expenses) | (7.4) | (8.5) |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

The decrease in interest expenses reflects the reduction in average financial liabilities over the half-year.

5.7. Income taxes

Effective tax rate

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|-----------------|---------------------------|
| Profit (loss) before tax on continuing operations | 46.1 | 11.5 |
| Income tax on the profit of continuing operations | (14.8) | (5.7) |
| Effective tax rate as a percentage of profit (loss) before tax | 32.2% | 49.3% |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

Income tax expense for the first half was €14.8 million, including €1.5 million in taxes classified as income tax (compared to €2.9 million in the first half of 2020), corresponding to the tax on value added in France (CVAE), net of corporation tax, and the regional production tax (*imposta regionale sulle attività produttive* – IRAP) in Italy (see Note 7 to the consolidated financial statements for the year ended 31 December 2020).

The average income tax rate for the current period was estimated at 29.0% (vs. 27.0% last year).

5.8. Basic and diluted earnings per share

Basic earning per share is calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury shares on a pro rata basis.

Basic earnings per share attributable to owners of the parent

| <i>in € millions, except for per share data and number of shares</i> | First-half 2021 | First-half 2020 restated* |
|---|------------------------|----------------------------------|
| Consolidated profit (loss) for the period attributable to owners of the parent | 27.6 | 21.2 |
| Consolidated profit (loss) for the period attributable to owners of the parent, continuing operations | 28.8 | 5.0 |
| Consolidated profit (loss) for the period attributable to owners of the parent, discontinued operations | (1.1) | 16.3 |
| Recurring consolidated profit (loss) attributable to owners of the parent ⁽¹⁾ | 34.8 | 22.7 |
| Average number of shares outstanding | 195,483,870 | 217,338,412 |
| Consolidated profit (loss) for the period per share (in €) | 0.141 | 0.097 |
| Earnings per share from continuing operations (in €) | 0.147 | 0.023 |
| Earnings per share from discontinued operations (in €) | (0.005) | 0.075 |
| Recurring earnings per share attributable to owners of the parent ⁽¹⁾ (in €) | 0.178 | 0.104 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

(1) Recurring earning for the year attributable to owners of the parent corresponds to profit for the year attributable to owners of the parent, before the following items:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other non-recurring operating income and expenses, net of tax effects;
- other non-recurring financial income and expenses, net of tax effects;
- profit from discontinued operations.

Diluted earning per share is calculated by taking into account all financial instruments carrying deferred rights to the parent company's share capital, issued either by the parent company itself or by any one of its subsidiaries. Dilution is calculated separately for each instrument, based on the conditions prevailing at the end of the reporting period and excluding non-dilutive instruments.

5.9. Goodwill

For the purposes of impairment testing, goodwill is allocated between the two cash generating units (CGUs) as follows:

| <i>in € millions</i> | DSS | TMF | Total |
|--|--------------|--------------|--------------|
| Goodwill at 1 January 2021 | 383.8 | 115.7 | 499.5 |
| Reclassification to assets held for sale | (5.1) | (2.3) | (7.4) |
| Adjustments to acquisition costs | - | 0.3 | 0.3 |
| Disposals | (1.5) | - | (1.5) |
| Foreign exchange gains and losses | - | - | - |
| Goodwill at 30 June 2021 | 377.2 | 113.8 | 490.9 |
| of which gross amount | 381.5 | 113.8 | 495.2 |
| of which accumulated impairment | (4.3) | - | (4.3) |

As of 30 June 2021, only goodwill relating to Les Abeilles is still in the allocation period.

Given its earnings forecasts for the year and the outlook for the following years, the Group did not consider it necessary to implement an impairment test as at 30 June 2021. In addition, the assumptions made at the end of 2020 were not called into question during the first half of 2021.

5.10. Intangible assets, property, plant and equipment and non-current financial assets

5.10.1. INTANGIBLE ASSETS

| <i>in € millions</i> | Business assets customer portfolios | Franchises, patents, licenses and similar rights | IT systems and other internally generated assets | Other | Total |
|---|-------------------------------------|--|--|--------------|----------------|
| Acquisition cost | | | | | |
| Gross value at 31 December 2020 | 54.9 | 32.9 | 64.3 | 3.5 | 155.6 |
| Acquisitions | - | 0.3 | 3.8 | 0.1 | 4.3 |
| Disposals/Retirements | - | (1.2) | (1.1) | (0.6) | (2.9) |
| Changes in scope of consolidation | (0.2) | - | - | - | (0.2) |
| Transfers and other movements | - | 0.9 | (0.1) | 0.5 | 1.3 |
| Reclassification to assets held for sale | - | (6.0) | (0.9) | (1.6) | (8.5) |
| Gross value at 30 June 2021 | 54.7 | 26.8 | 66.0 | 2.0 | 149.6 |
| Depreciation and impairment | | | | | |
| Accumulated depreciation at 31 December 2020 | (34.4) | (28.0) | (42.8) | (2.8) | (108.0) |
| Additions | (1.1) | (0.7) | (3.2) | (0.2) | (5.1) |
| Disposals/Retirements | - | 1.0 | 1.1 | 0.1 | 2.2 |
| Changes in scope of consolidation | - | - | - | - | - |
| Transfers and other movements | - | (0.7) | - | - | (0.7) |
| Reclassification to assets held for sale | - | 4.4 | 0.1 | 1.6 | 6.1 |
| Accumulated depreciation at 30 June 2021 | (35.6) | (24.0) | (44.8) | (1.3) | (105.6) |
| Net book value at 31 December 2020 | 20.5 | 4.9 | 21.5 | 0.7 | 47.6 |
| Net book value at 30 June 2021 | 19.2 | 2.9 | 21.3 | 0.7 | 44.0 |

5.10.2. PROPERTY, PLANT AND EQUIPMENT

| <i>in € millions</i> | Land and buildings | Fixtures fittings and IT equipment | Furniture and vehicles | Other property, plant and equipment | Property, plant and equipment held under finance leases | Rights of use assets | Total |
|---|--------------------|------------------------------------|------------------------|-------------------------------------|---|----------------------|----------------|
| Acquisition cost | | | | | | | |
| Gross value at 31 December 2020 | 31.2 | 53.1 | 15.3 | 19.6 | 1.0 | 118.0 | 238.1 |
| Acquisitions | 0.8 | 1.7 | 0.3 | 2.2 | - | 24.4 | 29.5 |
| Disposals/Retirements | (0.1) | (1.6) | (0.4) | (0.6) | (0.2) | - | (2.9) |
| Transfers and other movements | (1.1) | 0.1 | 4.3 | (4.1) | - | (8.5) | (9.3) |
| Reclassification to assets held for sale | (0.2) | - | - | - | - | (7.5) | (7.7) |
| Gross value at 30 June 2021 | 30.7 | 53.2 | 19.5 | 17.2 | 0.8 | 126.5 | 247.8 |
| Depreciation and impairment | | | | | | | |
| Accumulated depreciation at 31 December 2020 | (18.1) | (43.1) | (11.1) | (11.8) | (0.9) | (63.4) | (148.3) |
| Additions | (1.0) | (2.7) | (1.2) | (0.4) | - | (10.0) | (15.3) |
| Disposals/Retirements | - | 1.5 | 0.4 | 0.1 | 0.2 | - | 2.3 |
| Transfers and other movements | 1.7 | 0.6 | (1.8) | 0.1 | - | 5.1 | 5.7 |
| Reclassification to assets held for sale | 0.2 | - | - | - | - | 3.2 | 3.3 |
| Accumulated depreciation at 30 June 2021 | (17.3) | (43.6) | (13.5) | (12.0) | (0.8) | (65.1) | (152.3) |
| Net book value at 31 December 2020 | 13.0 | 10.0 | 4.3 | 7.8 | - | 54.7 | 89.9 |
| Net book value at 30 June 2021 | 13.4 | 9.6 | 5.9 | 5.2 | - | 61.4 | 95.5 |

5.10.3. NON-CURRENT FINANCIAL ASSETS

| <i>in € millions</i> | Investments in non- consolidated companies ⁽¹⁾ | Investments in associates and joint ventures ⁽²⁾ | Other Non-current financial assets ⁽³⁾ | Total |
|---|---|---|--|-------------|
| Balance at 31 December 2019 | 5.3 | 0.5 | 27.2 | 32.9 |
| Increases | - | - | - | - |
| Repayments/Disposals | - | - | (6.6) | (6.6) |
| Changes in scope of consolidation | - | - | - | - |
| Share of profit (loss) of associates and joint ventures | - | - | - | - |
| Balance at 30 June 2020 | 5.3 | 0.4 | 20.6 | 26.4 |
| Balance at 31 December 2020 | 4.9 | 0.5 | 25.1 | 30.5 |
| Increases | - | - | 3.6 | 3.6 |
| Repayments/Disposals | - | - | (6.9) | (6.9) |
| Changes in scope of consolidation | 0.4 | (0.6) | - | (0.2) |
| Share of profit (loss) of associates and joint ventures | - | 0.1 | - | 0.1 |
| Reclassification to assets held for sale | - | - | - | - |
| Balance at 30 June 2021 | 5.3 | - | 21.8 | 27.1 |

(1) This relates to the Group's interest in non-controlled entities for €5.3 million, primarily including shares in Hélios (€2.4million), Histoverly (€0.8 million), Kartable (€0.5 million), JTRS (€0.5 million), Magic Makers (€0.9 million) and Neuradom (€0.2 million).

(2) At 30 June 2021, the only entity accounted for using the equity method (JTRS) was removed from the consolidation scope.

(3) Other non-current financial assets chiefly correspond to guarantees and deposits.

5.11. Other long-term receivables

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|-----------------------------|--------------|--------------|
| Government grants | 2.7 | 4.8 |
| Other long-term receivables | 20.9 | 19.7 |
| Other receivables | 23.7 | 24.5 |

The "Government, long-term grants receivable" item corresponds to receivables to be received in respect of public grants.

Other receivables relates to loans granted to employees or associates.

5.12. Residual interest in leased assets

The Group's residual interest in leased assets sold to refinancing institutions corresponds to an estimated market value. Management issues an estimate that requires critical judgement. Residual interest in leased assets reflects a forecast market value.

This residual interest is calculated as follows:

- for all fixed-term contracts, the estimated market value is calculated using an accelerated diminishing balance method, based on the amortisation of the original purchase cost of each item of equipment. The residual interest therefore represents a long-term asset which is discounted using the same method as for the related lease. This method does not apply to nonstandard cases, which are rare;
- for renewable asset management contracts, the accelerated diminishing balance method of depreciation is not applicable. The estimated market value for these contracts is calculated by using a fixed percentage of the original purchase cost of the equipment.

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|--|---------------------|---------------------|
| Residual interest in leased assets non-current portion (between 1 and 5 years) | 122.0 | 134.3 |
| Residual interest in leased assets current portion (less than 1 year) | 52.8 | 40.9 |
| Total | 174.7 | 175.2 |

The Group regularly revises estimates of its residual interest in leased assets using a statistical method based on its experience of second-hand markets. For more recent assets, for which there is inadequate market data to establish an accurate valuation, the Group uses a prudent approach which may be adjusted when it has access to adequate historical information.

The residual interest recognised at the end of June 2021 was €174.7 million for a portfolio of leased assets representing €5.9 billion (purchase price of the assets on inception of the lease). The Group's residual interest in leased assets therefore stood at 3.0% of the purchase price of the assets in its portfolio (versus 3.0% at 31 December 2020).

The impact of discounting on the total amount of the residual interest was €9.8 million at 30 June 2021, the pre-discounted values were €184.5 million at 30 June 2021. Residual interest in leased assets concerns IT assets and industrial assets amounting to €152.2 million and €32.3 million, respectively.

5.13. Gross liability commitments for purchases of leased assets

The Group repurchases leased equipment from refinancing institutions at the end of the lease term. These purchase obligations are classified within “gross commitments on residual financial value”. They are generally long-term liabilities which are discounted using the same method as for the related leases. They are classified as financial liabilities but are not included in net debt.

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|---|--------------|--------------|
| Total gross liability commitments for purchases of leased assets – non-current portion (1 to 5 years) | 72.9 | 75.9 |
| Total gross liability commitments for purchases of leased assets – current portion (<1 year) | 27.4 | 27.8 |
| Total | 100.2 | 103.7 |

The present value of items recorded in “Gross liability for purchases of leased assets” (current and non-current portions) stands at €100.2 million. The cumulative impact of discounting is €5.4 million at the end of June 2021, *i.e.* €105.6 million before discounting at 30 June 2021.

5.14. Current operating assets and liabilities

5.14.1. INVENTORIES

| <i>in € millions</i> | 30 June 2021 | | | 31 Dec. 2020 | | |
|---|--------------|--------------|--------------|--------------|--------------|-------------|
| | Gross | Impairment | Net | Gross | Impairment | Net |
| Equipment in the process of being refinanced | 18.6 | (2.4) | 16.2 | 21.7 | (2.4) | 19.3 |
| Other inventories | 102.9 | (6.5) | 96.4 | 64.2 | (6.8) | 57.4 |
| Equipment | 94.5 | (2.9) | 91.6 | 56.3 | (3.3) | 52.9 |
| Spare parts | 8.4 | (3.6) | 4.7 | 8.0 | (3.5) | 4.5 |
| Total | 121.4 | (8.9) | 112.5 | 85.9 | (9.2) | 76.7 |

Net inventories increased by €35.8 million, including €41.5 million related to the acquisition in June 2021 of two tugs by Les Abeilles as part of the new contract won with the French Navy.

The crisis did not require a further impairment of these inventories.

5.14.2. TRADE AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

| <i>in € millions</i> | 30 June 2021 | | | 31 Dec. 2020 | | |
|------------------------------------|--------------|---------------|--------------|--------------|---------------|--------------|
| | Gross | Impairment | Net | Gross | Impairment | Net |
| Trade receivables | 812.2 | (60.7) | 751.5 | 884.0 | (70.8) | 813.2 |
| Other receivables | 91.6 | (4.0) | 87.6 | 86.6 | (5.6) | 81.0 |
| Trade and other receivables | 903.8 | (64.7) | 839.1 | 970.6 | (76.4) | 894.1 |
| Contract assets | 19.3 | - | 19.3 | 17.4 | - | 17.4 |
| Other current assets | 25.2 | - | 25.2 | 30.4 | - | 30.4 |

Change in trade receivables is broken down below by business:

| <i>in € millions</i> | 30 June 2021 | | | | 31 December 2020 | | | |
|----------------------|---|------------------|---------------------|--------------|---|------------------|---------------------|--------------|
| | Receivables invoiced, net of impairment | Revenue accruals | Outstanding rentals | Total | Receivables invoiced, net of impairment | Revenue accruals | Outstanding rentals | Total |
| TMF | 209.1 | 8.1 | 341.2 | 558.4 | 254.1 | 2.1 | 356.0 | 612.2 |
| DSS | 104.5 | 88.6 | - | 193.1 | 132.6 | 68.3 | - | 200.9 |
| Total | 313.6 | 96.7 | 341.2 | 751.5 | 386.7 | 70.4 | 356.0 | 813.2 |

Impairment of receivables

Provisions for impairment of trade receivables were down by €10.1 million, due mainly balance sheet reclassifications for a total amount of €5.6 million (of which €2.6 million in assets held for sale), and the use of provisions following the resolution of certain disputes.

| <i>in € millions</i> | 31 Dec. 2020 | Additions | Reversals | Reclassification | 30 June 2021 |
|------------------------------------|--------------|-----------|-----------|------------------|--------------|
| Impairment of doubtful receivables | (70.8) | (3.7) | 11.2 | 2.6 | (60.7) |

Other receivables

Other receivables represent amounts receivable from the French State and miscellaneous amounts due from third parties (suppliers, factor, etc.):

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|------------------------------------|---------------------|---------------------|
| Tax receivables (excl. income tax) | 46.8 | 18.3 |
| Factoring receivables | 16.9 | 35.8 |
| Government grants receivable | - | 0.1 |
| Due from suppliers | 16.1 | 17.9 |
| Other | 7.7 | 8.9 |
| Other receivables | 87.6 | 81.0 |

Other current assets

Other current assets correspond mainly to prepaid expenses of €25.2 million compared to €30.4 million at 31 December 2020.

5.14.3. TRADE AND OTHER PAYABLES AND OTHER CURRENT LIABILITIES

“Trade and other payables” breaks down as follows:

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|---|---------------------|---------------------|
| Trade payables | 654.7 | 775.2 |
| Other payables | 183.5 | 216.8 |
| Tax and social liabilities | 154.0 | 204.2 |
| Dividends payable | 25.2 | 1.3 |
| Customer prepayments and other payables | 4.3 | 11.4 |
| Trade and other payables | 838.3 | 992.1 |

The other current liabilities comprise the following items:

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|--|---------------------|---------------------|
| Contingent acquisition-related liabilities – current portion | 6.6 | 13.4 |
| Deferred income | 104.4 | 122.0 |
| Other liabilities | 6.6 | 5.5 |
| Other current liabilities | 117.6 | 140.9 |
| Contract liabilities | 37.3 | 62.9 |

5.14.4. OTHER NON-CURRENT LIABILITIES

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|---|--------------|--------------|
| Acquisition-related liabilities – non-current portion | 46.5 | 48.5 |
| Other non-current liabilities | 7.9 | 6.6 |
| Other non-current liabilities | 54.3 | 55.1 |

5.15. Cash, gross debt, net debt

5.15.1. CASH AND CASH EQUIVALENTS

These include cash on hand and demand deposits, other highly-liquid investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are included in “Financial liabilities” within current liabilities in the balance sheet.

Changes in fair value are recognised through profit or loss under “Financial income – operating activities”.

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts. Cash and cash equivalents can be broken down as follows at end-2021 and end-2020:

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|---|--------------|--------------|
| Cash in hand | 265.5 | 633.5 |
| Demand deposits | 0.1 | - |
| Sight deposits | 265.5 | 633.5 |
| Cash equivalents | 34.2 | 15.8 |
| Term accounts | 30.5 | 10.6 |
| Marketable securities | 3.7 | 5.2 |
| Cash and cash equivalents | 299.7 | 649.3 |
| Bank overdrafts | (1.7) | (0.8) |
| Cash and cash equivalents net of bank overdrafts | 298.1 | 648.5 |

5.15.2. GROSS DEBT

Gross debt includes all interest-bearing debt and debt incurred through the receipt of financial instruments. It does not include:

- the gross purchase commitments of leased assets (liability) and residual interests in leased assets;
- the derivative instrument hedging Schuldschein notes; and
- lease liabilities.

| <i>in € millions</i> | 30 June 2021 | 31 Dec. 2020 |
|---|---------------------|---------------------|
| Convertible bond (OCEANE) | 179.2 | 181.2 |
| Non-convertible bond debt (Euro PP) | 54.0 | 54.7 |
| Non-convertible bond debt (Schuldschein) | 12.9 | 12.7 |
| Bonds loans – non-current | 246.1 | 248.7 |
| Other debt | 52.4 | 25.6 |
| Finance lease liabilities ⁽¹⁾ | 56.3 | 50.3 |
| Financial liabilities – non-current | 108.7 | 75.9 |
| Non-current interest-bearing liabilities | 354.8 | 324.6 |
| Convertible bond debt (OCEANE) – current portion | 0.9 | 1.0 |
| Non-convertible bond debt (Euro PP) – current portion | 1.6 | 1.6 |
| Non-convertible bond debt (Schuldschein bond) – current portion | 22.3 | 137.3 |
| Bonds loans – current portion | 24.8 | 139.9 |
| Commercial paper and other bank borrowings | 99.5 | 119.0 |
| Factoring payables ⁽²⁾ | 5.5 | 7.5 |
| Other current borrowings and debt with recourse | 5.4 | 11.4 |
| Finance lease liabilities ⁽¹⁾ | 25.2 | 25.9 |
| Financial liabilities – current portion ⁽³⁾ | 135.6 | 163.8 |
| Current interest-bearing liabilities | 160.3 | 303.7 |
| Gross debt total ⁽³⁾ | 515.1 | 628.3 |

⁽¹⁾ Primarily liabilities relating to contracts refinanced with recourse. This debt is backed by customers' rental payments in which the Group retains a portion of the credit risk. The Group has therefore added back a similar amount of unassigned receivables in accordance with IAS 32 – Financial Instruments: Presentation.

⁽²⁾ Factoring liabilities consist of residual risks arising from factoring agreements.

⁽³⁾ Excluding bank overdrafts.

5.15.3. NET FINANCIAL DEBT

The notion of net debt used by the Group consists of gross debt (see note 5.15.2) less cash and cash equivalents (see note 5.15.1).

| <i>in € millions</i> | 31 Dec. 2020 | Cash flows | Non-cash flows | | | 30 June 2021 |
|--|-----------------|----------------|-------------------------------|-----------------------------|--------------|-----------------|
| | | | Amortise d cost of debt | Exchan ge rate impact | Other* | |
| Cash and cash equivalents net of bank overdrafts ⁽¹⁾ | 648.5 | (343.9) | - | 0.9 | (7.6) | 298.1 |
| Commercial paper and bank debt | (155.9) | (1.3) | - | - | - | (157.1) |
| Net cash at bank | 492.7 | (345.1) | - | 0.9 | (7.6) | 140.9 |
| Convertible bond debt (OCEANE) | (182.2) | 4.4 | (2.3) | - | - | (180.1) |
| bond debt (Euro PP) | (56.3) | 1.6 | (0.8) | - | - | (55.5) |
| Bond debt (Schuldschein) | (150.0) | 116.2 | (1.3) | - | - | (35.1) |
| Leases refinanced with recourse | (76.2) | (5.3) | - | (0.4) | 0.5 | (81.5) |
| Factoring payables with recourse | (7.5) | 2.0 | - | - | - | (5.5) |
| Other non-current liabilities | (0.1) | (0.1) | - | - | - | (0.1) |
| Sub-total | (472.5) | 118.8 | (4.4) | (0.4) | 0.5 | (357.9) |
| (Net financial debt) / cash surplus | 20.2 | 226.3 | (4.4) | 0.5 | (7.1) | (217.0) |

* Positive gross cash position.

**Including current bank overdrafts totalling €1.7 million at 30 June 2021 and €0.8 million at 31 December 2020

(1) The -€350.5 million change in net cash and cash equivalents as shown in the statement of cash flows is equal to the sum of monetary outflows (-€343.9 million), less translation differences (+€0.9 million) and other changes (-€7.6 million).

This net debt for 2021 includes in particular €193.1 million corresponding to the financing of outstanding rentals on self-funded contracts of the TFM business.

Bond debt (Euro PP and Schuldschein)

Cash flows on non-convertible bond debt (Euro PP and Schuldschein) correspond to the early repayment of a tranche of the Schuldschein bond debt for an amount of €115 million and the coupons paid during the half-year. These coupons paid are shown under “interest paid” in the consolidated statement of cash flows.

5.16. Information on equity

5.16.1. SHARE CAPITAL

The total number of shares with voting rights attached was 220,880,430.

| | Number of shares | | | Value in € millions | | |
|--|--------------------|--------------------------------|--------------------|---------------------|----------------------------|-----------------|
| | Total | Treasury shares ⁽¹⁾ | Outstanding | Share capital | Additional paid-in capital | Treasury shares |
| At 31 December 2020 | 220,880,430 | 9,779,167 | 211,101,263 | 23.5 | 213.6 | (23.0) |
| Purchases of treasury shares, net of sales | - | 24,204,233 | (24,204,233) | - | - | (72.0) |
| Refund of issue premium | - | - | - | - | (24.4) | - |
| At 30 June 2021 | 220,880,430 | 33,983,400 | 186,897,030 | 23.5 | 189.2 | (95.0) |

(1) At 30 June 2021, all of the shares are in their own account.

The number of dematerialised shares stood at 158,780,988 and the number of registered shares was 62,099,442, *i.e.* 220,880,430 shares in total.

5.16.2. CHANGES IN EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

At 30 June 2021, equity attributable to owners of the parent amounted to €339.8 million (€406.1 million at 31 December 2020). The table below shows changes in this item:

| <i>in € millions</i> | 30 June 2021 |
|---|---------------------|
| At 31 December 2020 | 406.1 |
| Comprehensive income | 28.7 |
| Share-based payments, net of tax | 0.8 |
| Refund of issue premiums/Payments to shareholders | (24.4) |
| Treasury share transactions | (72.0) |
| Transactions on stock options | - |
| Change in fair value of liabilities under put options | - |
| Impact of put options granted to non-controlling shareholders | - |
| Reclassifications between equity attributable to owners of the parent and non-controlling interests following acquisitions of additional shares | 0.3 |
| Miscellaneous (transactions impacting non-controlling interests and other transactions) | 0.4 |
| At 30 June 2021 | 339.8 |

5.16.3. STOCK SUBSCRIPTION AND PURCHASE OPTION PLANS

Stock subscription options have been granted to some of the Group's employees and managers for an agreed unit price. The characteristics of these plans are detailed below. Following the share-split which occurred in 2017, the options granted between 2014 and 2016 each entitle the holder to two Econocom shares.

| Stock option plans | 2014 Options ⁽¹⁾ | | 2017 options ⁽²⁾ | | Total |
|--|--------------------------------|------------------|--------------------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | |
| Options outstanding at 31 Dec. 2020 | 1,599,620 | 356,800 | 85,000 | 90,000 | 2,131,420 |
| Options granted during the period | - | - | - | - | - |
| Options exercised during the period | - | - | - | - | - |
| Options lapsed or forfeited | - | - | - | - | - |
| Options outstanding at 30 June 2021 | 1,599,620 | 356,800 | 85,000 | 90,000 | 2,131,420 |
| Rights granted in number of shares (comparable) at 31 December 2020 | 3,199,240 | 713,600 | 170,000 | 90,000 | 4,172,840 |
| Rights granted in comparable number of shares at 30 June 2021 | 3,199,240 | 713,600 | 170,000 | 90,000 | 4,172,840 |
| Option exercise price (in €) | 5.52 | 7.70 | 11.48 | 6.04 | - |
| Share exercise price (in €) | 2.76 | 3.85 | 5.85 | 6.04 | - |
| Average share price at the exercise date | - | - | - | - | - |
| Expiry date | Dec. 2021 | Dec. 2022 | Dec. 2023 | Dec. 2023 | - |

(1) In December 2014, the Board of Directors approved a plan to issue 2,500,000 stock subscription rights. These options were issued by the Compensation Committee in 2014 (2,075,000 options), 2015 (360,000 options) and 2016 (105,000 options).

(2) In May 2017, the Board of Directors approved a plan to issue 2,000,000 stock subscription rights, 1,950,000 of which were issued in December 2017 by the Compensation Committee. These options will also give rise to the issue of new shares. As a result of departures since that date, only 90,000 options are still exercisable.

5.16.4. FREE SHARE PLAN

The vesting of free shares allocated by the Econocom Group's Board of Directors is contingent on the achievement of individual, collective, internal and/or external objectives.

Each tranche is also contingent on employment within the Group until the end of the vesting period, and on performance conditions and quoted market price.

The number of free shares at 30 June 2021 was 1,700,000.

| | 2018 | | | 2020 | | | Total |
|--|------------|------------|------------|-----------|-----------|-----------|-----------|
| Tranches | 3 | 4 | 5 | 1 | 2 | 3 | |
| Free shares outstanding at 31 Dec. 2020 | 60,000 | 60,000 | 60,000 | 300,000 | 900,000 | 400,000 | 1,780,000 |
| Award | - | - | - | - | - | - | - |
| Vesting | - | - | - | - | - | - | - |
| Exercise | - | - | - | - | - | - | - |
| Loss or cancellation | (60,000) | (10,000) | (10,000) | - | - | - | (80,000) |
| Free shares not exercised as of 30 June 2021 | - | 50,000 | 50,000 | 300,000 | 900,000 | 400,000 | 1,700,000 |
| Expiry date | March 2021 | March 2022 | March 2023 | July 2021 | July 2022 | July 2023 | - |

The Annual General Meeting of 18 May 2021 decided to authorise the Board of Directors to set up a free share allocation plan consisting of a total of 4,000,000 shares to be allocated by 31 December 2023. As of 30 June 2021, no awards have been made.

5.16.5. CHANGE IN NON-CONTROLLING INTERESTS

At 30 June 2021, non-controlling interests amounted to €69.9 million (€66.9 million at 31 December 2020). The table below shows changes in this item:

| <i>in € millions</i> | 30 June 2021 |
|---|--------------|
| At 31 December 2020 | 66.9 |
| Share of comprehensive income attributable to non-controlling interests | 2.6 |
| Impact of put options granted to non-controlling shareholders | - |
| Reclassifications between equity attributable to owners of the parent and non-controlling interests following acquisitions of additional shares | (0.3) |
| Miscellaneous transactions impacting reserves of non-controlling interests | 0.8 |
| At 30 June 2021 | 69.9 |

5.17. Provisions

| <i>in € millions</i> | 31 Dec. 2020 | Additions | Reversals (not used) | Reversals used | Other* and exchange differences | 30 June 2021 |
|--|-----------------|------------|-------------------------|-------------------|---------------------------------------|-----------------|
| Restructuring and employee-related risks | 4.9 | 1.3 | (0.5) | (1.2) | 0.1 | 4.6 |
| Tax, legal and commercial risks | 23.0 | 3.5 | (2.6) | (4.0) | (1.1) | 18.8 |
| Deferred commissions | 1.4 | 0.1 | - | - | - | 1.5 |
| Other risks | 20.0 | 0.2 | (0.6) | (0.9) | (6.5) | 12.2 |
| Total | 49.2 | 5.0 | (3.8) | (6.0) | (7.5) | 37.0 |
| Non-current portion | 11.5 | 0.3 | (0.7) | - | (3.4) | 7.6 |
| Current portion | 37.7 | 4.8 | (3.0) | (6.0) | (4.1) | 29.4 |
| Profit (loss) impact of movements in provisions | | | | | | |
| Profit (loss) from continuing ordinary operations | | 4.7 | (3.2) | (5.2) | | |
| Non recurring operating income and expenses | | 0.3 | | (0.9) | | |
| Income tax expense | | | | (0.5) | | |

During the period, additions to provisions net of reversals of provisions not utilised had a negative impact of €1.3 million on profit.

Other changes of -€7.5 million relate to reclassifications to other balance sheet items for an amount of -6.4 million.

5.18. Notes to the consolidated statement of cash flows

Definition of cash flows

Cash flows are presented in the statement of cash flows, which analyses changes in cash flows from all activities, including continuing and discontinued operations as well as activities held for sale.

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts.

Year-on-year changes in cash and cash equivalents can be broken down as follows in 2021 and 2020:

02 consolidated financial statements

| <i>in € millions</i> | 30 June 2021 | 30 June 2020 |
|--|---------------------|---------------------|
| Net cash and cash equivalents at 1 st January | 648.5 | 575.6 |
| Change in net cash and cash equivalents | (350.5) | (137.5) |
| Net cash and cash equivalents at 31 December | 298.1 | 438.1 |

5.18.1. NET CASH FROM (USED IN) OPERATING ACTIVITIES

Net cash flows from (used in) operating activities amounted to -€129.9 million in the first half of 2021 compared to -€115.6 million in the first half of 2020; they mainly result from:

- cash flow from operating activities totalling €60.2 million in 2021 versus €31.3 million in 2020;
- an increase of €7.2 million in 2021 (vs. €43.8 million in 2020) in outstandings related to self-funded contracts in the Technology Management & Financing activity, net of refinancing obtained (including €28 million at Les Abeilles, considered as deconsolidating);
- other increases in working capital of €173.4 millions in the first half of 2021 (increase of €91.0 millions in the first half of 2020); the €173 millions for the first half of 2021 included in particular €41,5 millions in change in inventories related to the acquisition in June 2021 of two tugs by Les Abeilles.

5.18.1.1. Non-cash expenses (income)

| <i>in € millions</i> | First-half 2021 | First-half 2020 restated* |
|--|----------------------------|--|
| Depreciation/amortisation of property, plant and equipment and intangible assets | 20.4 | 21.5 |
| Net additions to (reversals from) provisions for contingencies and expenses | (4.2) | (4.9) |
| Change in provisions for pensions and other post-employment benefit obligation | 1.2 | 0.6 |
| Impairment of trade receivables, inventories and other current assets | (9.3) | 2.1 |
| Total provisions, depreciation, amortisation and impairment | 8.2 | 19.3 |
| Change in residual interest in leased assets ⁽¹⁾ | (0.2) | (8.3) |
| Cost of discounting residual interest in leased assets and gross liability for purchases of leased assets | (1.1) | (2.1) |
| Losses (gains) on disposals of property, plant and equipment and intangible assets | (0.1) | 2.0 |
| Gains and losses on fair value remeasurement | (0.1) | - |
| Expenses calculated for share-based payments | 0.8 | 0.5 |
| Impact of sold operations and changes in consolidation methods and other income/expenses with no effect on cash and cash equivalents | - | - |
| Other non-cash expenses (income) | (0.5) | 0.3 |
| Non-cash expenses (income) | 7.5 | 11.4 |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

(1) Changes in the Group's residual interest in leased assets compare the undiscounted value of the residual interest from year to year, adjusted for currency impacts. The impact for the period of discounting is eliminated in the "Other non-cash expenses (income)" item.

5.18.1.2. Change in working capital requirements

The increase in working capital requirement breaks down as follows:

| <i>in € millions</i> | Notes | 31 Dec. 2020 | Change in working capital requireme nt in first- half 2021 | Reclassifi cations to assets and liabilities held for sale | Total other changes (1) | 30 June 2021 |
|--|--------|------------------|---|--|----------------------------------|------------------|
| Other long-term receivables, gross | | 24.5 | (2.9) | - | 2.0 | 23.7 |
| Inventories, gross | 5.14.1 | 85.9 | 36.5 | (1.0) | - | 121.4 |
| Trade receivables, gross | 5.14.2 | 884.0 | (50.2) | (24.9) | 3.4 | 812.2 |
| Other receivables, gross | 5.14.2 | 86.6 | 5.7 | (1.0) | 0.3 | 91.6 |
| Residual interest in leased assets (2) | 5.12 | 175.2 | - | - | (0.5) | 174.7 |
| Current tax assets | | 12.6 | - | (0.5) | (0.7) | 11.4 |
| Other current assets | 5.14.2 | 47.7 | (1.9) | (1.3) | - | 44.5 |
| Trade receivables and other operating assets | | 1,316.7 | (12.8) | (28.7) | 4.4 | 1,279.6 |
| Other non-current liabilities | 5.14.4 | (55.1) | - | - | 0.7 | (54.3) |
| Trade payables | 5.14.3 | (775.2) | 104.8 | 19.5 | (3.8) | (654.7) |
| Other payables | 5.14.3 | (216.8) | 43.8 | 4.0 | (14.5) | (183.5) |
| Current tax liabilities | | (13.2) | 0.1 | 0.1 | (2.0) | (15.0) |
| Other current liabilities | 5.14.3 | (203.8) | 40.7 | 2.8 | 5.3 | (154.9) |
| Gross commitments on residual financial assets (3) | 5.13 | (103.7) | 4.2 | - | (0.6) | (100.2) |
| Trade and other operating payables | | (1,367.9) | 193.6 | 26.4 | (14.9) | (1,162.7) |
| Total change in working capital requirements | | | 180.7 | | | |
| <i>Of which Investments in own- booked TMF contracts</i> | | | 7.2 | | | |
| <i>Of which other changes</i> | | | 173.4 | | | |

* In accordance with IFRS 5, the restatement of the figures for the first half of 2020 reflects the reclassification of operations considered discontinued in the first half of 2021 to net change in cash and cash equivalents from discontinued operations.

(1) Mainly corresponding to changes in the scope of consolidation, in fair value and translation adjustments.

(2) Changes in the residual interest in leased assets are shown in cash flows from operating activities.

(3) Corresponding to changes in residual financial assets excluding the currency effect and discounting in the period.

5.18.2. BREAKDOWN OF NET CASH FROM (USED IN) IN INVESTING ACTIVITIES

Net cash from investing activities totalled -€12.7 million, primarily reflecting:

- -€8.6 million in net payments mainly related to contingent consideration and deferred payables;
- cash outflows of -€4.1 million resulting from investments in property, plant and equipment and intangible assets relating to the Group's IT infrastructure and applications.

5.18.3. BREAKDOWN OF NET CASH FROM (USED IN) IN FINANCING ACTIVITIES

Net cash from financing activities amounted to -€201.0 million, mainly reflecting:

- cash outflows of -€72.0 million relating to net treasury share buybacks;
- outflows of -€96.3 million in repayments net financial liabilities, of which €115 million for the repayment of a tranche of the Schuldschein bond debt;
- the repayment of commercial paper in the amount of -€19.5 million;
- lease payments in the amount of -€9.3 million related to leases where Econocom is the lessee (buildings and vehicles) and presented here in accordance with IFRS16;
- disbursements in the amount of -€3.3 million related to the buybacks of part of the OCEANE bonds;
- interest payments totalling -€6.7 million in the year (including coupon payments on loans bonds);
- the decrease in lease refinancing liabilities of +€5,3 million.

5.19. Related-party transactions

Transactions between the parent company and its subsidiaries, which are related parties, are eliminated on consolidation and are not presented in this note.

The related-party transactions outlined below primarily concern the main transactions carried out with the Chairman of the Board of Directors, its Vice-Chairman, the managing Directors and the executive Directors, or with companies controlled by the Group or over which it exercises significant influence. These transactions exclude the components of compensation.

Since they relate to the compensation conditions of Econocom Group's corporate officers (directors and those delegated with day-to-day management tasks) and directors involved in the general management of the Group, they are decided by the Board of Directors. Certain compensation packages were adjusted over the period to take into account changes to the responsibilities of a number of managers. There have been no material changes in this respect since the disclosures presented in Note 22.1 to the 2020 consolidated financial statements.

Transactions between related parties are carried out on an arm's length basis.

| <i>in € millions</i> | Income | | Expenses | | Receivables | | Payables | |
|----------------------------------|------------|------------|--------------|--------------|-------------|--------------|------------|--------------|
| | H1 2021 | H1 2020 | H1 2021 | H1 2020 | H1 2021 | Dec. 2020 | H1 2021 | Dec. 2020 |
| Econocom International BV (EIBV) | 0.2 | 0.3 | (1.0) | (1.0) | - | - | - | - |
| SCI Dion-Bouton | - | 1.0 | (1.4) | (1.0) | 2.4 | 2.3 | - | - |
| SCI Maillot Pergolèse | - | - | (0.1) | (0.7) | - | 0.1 | - | - |
| SCI JMB | - | - | (0.6) | (0.6) | 0.5 | 0.3 | 0.4 | - |
| APL | - | - | (0.5) | (0.1) | - | - | 0.1 | 0.1 |
| Bay Consulting SPRL | - | - | - | - | - | - | - | - |
| Orionisa consulting | - | - | (0.1) | - | - | - | - | - |
| Métis | - | - | (0.3) | - | - | - | 0.3 | 0.7 |
| Total | 0.2 | 1.3 | (3.9) | (3.3) | 3.0 | 2.7 | 0.9 | 0.8 |

Relations with companies controlled by Jean-Louis Bouchard

The SCI de Dion-Bouton, of which Jean-Louis Bouchard is Managing Partner, owns the Puteaux building, the headquarters of Econocom's French activities. It received rental income of €1.0 million in the first half of 2021. In addition, the Econocom Group booked receivables of €1.0 million representing the deposits paid by Econocom France SAS to SCI Dion-Bouton.

Econocom International BV (EIBV) – of which Jean-Louis Bouchard is a Partner – is a non-listed company that directly holds 40.4% of the share capital of Econocom Group SE at 30 June 2021. Econocom International BV billed fees of €1.0 million to Econocom Group SE and its subsidiaries in the first half of 2021 for managing and coordinating the Group. It was also rebilled an amount of €0.2 million by Econocom Group entities.

Transactions with SCI Maillot Pergolèse, which owns the premises in Clichy and of which Jean-Louis Bouchard is Partner and Robert Bouchard Manager, consist of rent for 2021 amounting to €0.1 million.

SCI JMB, which owns the premises in Villeurbanne and of which Jean-Louis Bouchard is Managing Partner, billed the Group a total amount of €0.6 million for rent in the first quarter of 2021. Econocom SAS, tenant of the site, has paid €0.5 million in guarantees to SCI JMB.

Other relations with related parties

The Group recognised liabilities in 2015 for commitments to one of the Directors to purchase non-controlling interests in Alter Way for €0.4 million.

Econocom Group committed to invest €3 million in investment fund Educapital I FCPI, which is managed by a management company (Educapital SAS), of which Marie-Christine Levet, an independent Director on the Econocom Group Board of Directors, is chairwoman and shareholder. As of 30 June 2021, an amount of €1.8 million has already been called.

Orionisa Consulting, which is controlled by Jean-Philippe Roesch, invoiced consulting services in the amount of €0.1 million.

5.20. Subsequent events

Econocom announced that it had acquired a majority stake in Trams Ltd in the United Kingdom on July 20, 2021. Founded in 1990, Trams is a recognised IT distributor on the other side of the Channel thanks to leading partnerships with Apple, HP, Lenovo and Dell. By enhancing the Group's footprint in a core target geography, this merger with Trams is perfectly in line with the Group's strategy of building an attractive global distribution offer. It will also make it possible to develop strong synergies with TMF's digital asset financing solutions. The company has a workforce of 40 people based in London and generated revenue of £42 million in 2020.



retrouvez-nous sur econocom.com ou sur



econocom
équipements | services | financement