

SIDETRADE Group

Head office: 114 Rue Galliéni

92100 Boulogne-Billancourt

Unaudited consolidated accounts at 30 June 2020



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Financial reports

1. Consolidated balance sheet

Consolidated balance sheet - assets (in €)	Gross values	Amortisation and depreciation	06.2020	12.2019
Uncalled share capital				
Acquisition goodwill	9,531,762	-820,415	8,711,347	8,803,348
Company start-up expenses	30,000	-30,000	0	
Development costs	3,210,758	-2,834,925	375,833	389,167
Concessions, patents, licences and similar rights	346,777	-302,721	44,056	51,636
Intangible fixed assets	13,119,297	-3,988,061	9,131,236	9,244,151
Constructions	26,543	-26,543	0	
Facilities, buildings and equipment	61,148	-49,255	11,893	10,178
Other tangible fixed assets	2,743,971	-2,020,892	723,079	671,892
Tangible fixed assets	2,831,662	-2,096,690	734,972	682,070
Shares				
Loans	280,699		280,699	263,779
Deposits and guarantees deposited	408,773		408,773	396,322
Other financial assets	200,823		200,823	130,883
Financial fixed assets	890,294		890,294	790,984
Fixed assets	16,841,253	-6,084,751	10,756,502	10,717,205
Work in progress in stock				
Customer receivables and related accounts - current	10,819,607	-1,479,182	9,340,426	7,891,548
Customer receivables and related accounts	10,819,607	-1,479,182	9,340,426	7,891,548
Other receivables and adjustment accounts	2,963,063		2,963,063	5,603,956
Investment securities - cash equivalents	731,469		731,469	730,556
Cash	11,141,270		11,141,270	4,575,846
Cash and other	11,872,740	0	11,872,740	5,306,402
Prepaid expenses - current	1,087,891		1,087,891	577,500
Current assets	26,743,301	-1,479,182	25,264,119	19,379,406
Total assets	43,584,554	-7,563,932	36,020,621	30,096,611
Checking			0	0

Consolidated balance sheet - liabilities (in €)	06.2020	12.2019
Capital	1,425,496	1,416,406
Capital bonuses	4,950,832	4,959,922
Consolidated reserves	14,418,131	11,378,959
Own shares	-2,917,377	-4,511,031
Net income (group share)	1,110,227	2,196,547
Net investment subsidies		
Regulated provisions		
Total equity	18,987,309	15,440,803
Conditional advances	1,004,234	1,004,234
Other equity	1,004,234	1,004,234
Provisions for risk	474,000	474,000
Provisions for pensions and retirement	88,313	108,708
Provisions for risks and expenses	562,313	582,708
Loans and other financial debts	292,500	300,000
Deposits and guarantees received	3,229	3,229
Interest incurred on loans	4,443	331
Bank credit facilities	22,942	15,739
Financial debts	323,114	319,299
Advances and deposits received against orders	405,337	465,661
Suppliers and related accounts	2,536,454	1,788,245
Fiscal and social security debts	4,753,155	3,328,414
Other debts	188,984	170,033
Other debts	7,478,593	5,286,692
Deferred income	7,259,721	6,997,214
Total liabilities	36,020,621	30,096,611
Checking	0	0

2. Consolidated profit and loss

Consolidated profit and loss (in €)	06.2020	06.2019
Turnover	14,366,739	12,582,013
Production in stock (work in progress)		
Capitalised production	100,000	150,000
Operational subsidies	1,103,502	1,243,635
Provision write-backs and transfer of operating expenses	146,218	970,420
Other revenue	1,120,255	1,051,838
Other operational revenue	2,469,975	3,415,893
Operational revenue	16,836,714	15,997,906
Other purchases and outgoings	-4,151,781	-4,548,775
Outgoings	-4,151,781	-4,548,775
Tax and duties	-244,863	-179,631
Staff salaries	-7,837,518	-7,114,315
Social security contributions	-2,343,577	-2,320,643
Other payroll costs	-22,822	
Payroll costs	-10,203,918	-9,434,958
Provisions for depreciation & depreciation on intangible fixed assets	-120,896	-120,524
Provisions for depreciation & depreciation on tangible fixed assets	-186,571	-169,126
Allocation for provisions on operations		-162,000
Allocation for provisions for retirement		-29,509
Allocations for depreciation on current assets	-648,866	-694,711
Allocations for amortisation, depreciation and provisions	-956,333	-1,175,870
Other exceptional outgoings	0	
Operational expenses	-15,556,895	-15,339,234
Net operating income	1,279,820	658,672

	06.2020	06.2019
Net operating income	1,279,820	658,672
Reversals of impairment on group shares		
Exchange rate gains on financial operations	91,082	27,493
Other financial income	92,758	-456
Financial income	183,840	27,037
Interest charges	-5,099	-6,897
Losses on financial receivables and investment securities		
Exchange rate losses on financial operations	-277,533	-18,171
Other financial costs	-2,515	-11,749
Allocations for depreciation on financial assets		
Financial expenses	-285,146	-36,817
Financial result	-101,306	-9,780
Current income of integrated companies	1,178,513	648,893
Exceptional expenses on management operations	33,675	
Exceptional expenses from previous financial years	63,000	
Exceptional income	96,675	0
Exceptional losses on management operations	-12,234	-80,525
Exceptional losses on previous financial years		-5,359
Exceptional losses	-12,234	-85,884
Exceptional result	84,441	-85,884
Tax on profit	-132,003	-72,103
Tax income or expenses		
Deferred tax	-20,724	55,338
Tax on profit	-152,727	-16,766
Net income of integrated companies	1,110,227	546,243
Allocations for depreciation on acquisition goodwill		
Proportion of net income from company equity revaluation		
Consolidated net income	1,110,227	546,243
Minority interests		
Net income (group share)	1,110,227	546,243

3. Consolidated cash flow

Consolidated cash flow (in €k)	06.2020	12.2019
Net income of consolidated entities	1,110	2,197
Allocations/write-backs and provisions for depreciation	287	240
Variation in deferred tax	21	-12
Gains or losses calculated from fair-value variations		
Elimination of gains or losses from sale of assets		
Elimination of MEE company profit share		
Cash flow from operations	1,418	2,424
Dividends received from equity revaluation		
Variation in working capital requirements (including provisions)	3,049	172
NET OPERATIONAL CASH FLOW (I)	4,467	2,596
Acquisitions of fixed assets	-463	-831
Sale of fixed assets		
Reduction of other financial fixed assets	11	4
Impact on variations in scope		
Net variation in short-term investment		
Internal operations on fixed assets (balance sheet)		
NET INVESTMENT CASH FLOW (II)	-452	-827
Loan issues	4	200
Loan repayments	-8	-285
Increases/reductions in capital		
Net sale (acquisition) of treasury shares	2,565	-1,857
Net variation in credit facilities	0	0
NET CASH FLOW GENERATED BY FINANCIAL OPERATIONS (III)	2,562	-1,942
Exchange rate gains/losses (IV)	-18	4
Exchange rate gains/losses on other balance sheet accounts		
EFFECT OF EXCHANGE RATE VARIANCE		4
CASH FLOW VARIANCE (I + II + III + IV)	6,559	-168
Initial cash reserves	5,292	5,459
Opening reallocation		
Initial cash reserves	5,292	5,459
Cash carried forward/ reallocated/ fair-value method difference		
Final cash reserves	11,851	5,292

Presentation of the group and business activity in the first half of 2020

1. Business activity in the first half of 2020

After a first quarter recording strong growth (+14%), Sidetrade's very good sales momentum increased in the second quarter of 2020 with organic growth at 15% compared to the same period in 2019 (€6.6 million in turnover). The company reported turnover in the second quarter amounting to €7.5 million, its highest on record. Turnover amounted to €14.4 million in the first half-year period, up 14% on the previous financial year.

More than ever, the editor's recurring SaaS model demonstrated its resilience faced with the economic crisis. Sidetrade reported 89% in recurring revenue in the first half-year period.

Record number of orders taken worth €6.1 million in second quarter of 2020

The Covid-19 crisis highlighted the crucial importance of securing company cash flow, which resulted in boosting Sidetrade's sales activity.

Over the period, Sidetrade demonstrated its considerable ability to adapt and innovate. To measure the impact of the Covid-19 pandemic on uncollected debts, Sidetrade - in partnership with BFM Business - provided free access to a "tracker" that records developments in payment delays since the beginning of 2020: in France, United Kingdom, Spain, Italy, Belgium and Netherlands. This indicator is based on analysis of payment behaviour of more than 3.7 million companies.

During this crisis, many finance departments have realised the urgent need to launch or speed up digital transformation of their business processes. A survey carried out in May 2020 by PwC of finance directors showed that 48% of them will speed up automation and development of new forms of work. Similarly, a study by Gartner showed that finance directors plan to maintain, rather than reduce, investment in technology such as artificial intelligence, automation and predictive analysis. 24% plan to invest more in process automation and cloud technology (20%).

Therefore, Sidetrade technology aimed at reducing payment delays based on its artificial intelligence was positively welcomed on the market. In the second quarter of 2020, the company achieved a new record in sales activity with €6.1 million in new contracts, including €4.9 million in recurring contracts. These new key account customers made commitments for average initial terms of 38 months, representing €1.6 million in additional annual recurring revenue compared to €1.3 million in the second quarter of 2019.

The attrition rate remained under control at 4.2% at 30 June 2020 compared to 5% at 30 June 2019.

Over the period, Sidetrade extended its geographic presence further with new prestigious references such as Veolia (France), Air Liquide (15 countries in Europe), PageGroup (UK, Ireland, US, Canada, South Africa, Middle East), Chubb (Australia, New Zealand, Canada), Bidcorp Group (UK), Bunzl (Canada), G4S (Ireland), Cordant Group (global), Atnahs (UK), Impellam (UK), Howden (Europe, US, Australia), etc.

2. Very strong growth in Net Income by 116% and continuing increase in investment

In the first half of 2020, Sidetrade's Net Operating Income jumped by 94% to €1.3 million reflecting the increase in revenue over the period and the leverage effect of the SaaS model.

This very good performance is explained by the increase in gross margin by €1.6 million to reach €11.4 million (compared to €9.8 million in the first half of 2019), i.e., a 79% gross margin rate of turnover. The contribution of SaaS subscriptions represents 93% of this gross margin and confirms the incremental profitability of the company's pure SaaS model.

Again in the half-year period, Sidetrade invested an additional €1.6 million (+16%) to increase its sales and marketing resources to support its future business development.

At the same time, the unprecedented Covid-19 crisis led to €0.7 million in savings in the half-year period, mainly as a result of the drop in travel expenses and sales bonuses.

Net Operating Income includes a research tax credit for €0.9 million (compared to €1.0 million in the first half of 2019) and activation of R&D costs amounting to €0.10 million (compared to €0.15 million in the first half of 2019).

As a result of this state of affairs, the half-yearly Net Income rose to €1.2 million, up 116%.

3. Stronger financial position

At 30 June 2020, Sidetrade's financial structure was stronger with a cash position at €11.8 million, compared to €5.3 million at 31 December 2019 and virtually no debt.

The company also owns 66,000 own shares with an estimated value at 30 June 2020 of €4.6 million.

Consolidation methods and principles

4. General principles

The group consolidated accounts were established in accordance with French accounting principles laid down by law no. 85.11 of 3 January 1985 and its implementing decree no. 86.221 of 17 February 1986, and CRC regulation no. 99-02 of 22 June 1999, as amended by CRC regulation no. 2005-10 of 3 November 2005.

The financial year ending 31 December 2019 covered a period of 12 months.

The closing date of the accounts for the consolidating company is the same as the closing date for the consolidated companies.

The consolidated accounts are presented in euros.

5. Definition of the scope of consolidation

Scope of consolidation

Consolidated company	Business registration no.	Head office	Country
Sidetrade SA	430007252	114 Rue Galli�ni, Boulogne Billancourt	France
Sidetrade UK Limited	07742637	2nd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ	United Kingdom
Sidetrade Limited	530457	Behan House, 10 Mount Street, Lower Dublin 2	Ireland
Sidetrade B.V.	62973096	Johan Huizingalaan 763A, 1066 VH Amsterdam	The Netherlands
BrightTarget Limited	09107017	2nd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ	United Kingdom

Ownership and consolidation method

Heading	Method	% interest (Closing)	% interest (Opening)	Acquisition/creation date
Sidetrade SA	Parent	100,00	100,00	N/A
Sidetrade UK Limited	Full consolidation	100,00	100,00	16/08/2011
Sidetrade Limited	Full consolidation	100,00	100,00	19/07/2013
Sidetrade BV	Full consolidation	100,00	100,00	27/03/2015
BrightTarget	Full consolidation	100,00	100,00	18/11/2016

At 30 June 2020, the scope of consolidation included five companies as per the consolidation of the previous financial year.

All companies are fully included.

6. Changes in the scope of consolidation

No changes were made to the scope of consolidation during the financial year.

7. Accounting rules and methods

The accounts were approved by the Management Board on 2 April 2020. They were established on the basis of the company being a going concern and compliant with the consistency principle of accounting methods (from one financial year to the next).

Acquisition goodwill

Acquisition goodwill determined on initial consolidation of a company is equivalent to the difference between the cost of acquisition of shares and the proportion of equity withdrawn from the company on the date on which control was taken.

Positive goodwill is the difference between the cost of acquisition and the acquirer's share of assets and liabilities identified on the acquisition date. Positive acquisition goodwill is recorded in the "acquisition goodwill" asset account.

Acquisition goodwill is depreciated across a timescale which reflects, as closely as possible, the assumptions made and the strategy established at acquisition. New regulations established in 2016 stipulate that acquisition goodwill cannot be written off. Acquisition goodwill is valued each year taking into account the projected profitability of the entities in question.

Tangible and intangible fixed assets

Fixed assets are recorded in compliance with general accounting rules (CRC 99-03) issued and updated by regulations CRC 2002-10, CRC 2002-07 and CRC 2004-06 on the management of assets and their depreciation.

Fixed assets are valued at acquisition cost (purchase price, additional costs, excluding acquisition cost and loan expenses, net of reductions, discounts or rebates obtained) or at production cost.

Intangible fixed assets

- **Research and development costs**

Research costs based on prior analysis are recorded directly in expenses for the financial year.

In compliance with regulation CRC 2004-06, development costs cannot be recorded as assets unless they relate to specific projects with a strong likelihood of both technical and sales profitability - or economic viability for projects developed over several years. This means adhering to the following criteria:

- a) technical feasibility of the completion of the intangible fixed asset with regard to its implementation or sale;
- b) intention to complete the intangible fixed asset and to use it or sell it;
- c) capacity to use or sell the intangible fixed asset;
- d) manner in which the intangible fixed assets will generate probable future economic benefits;
- e) availability of resources (technical, financial and other) to complete the development and use or sell the intangible fixed asset; and,
- f) capacity to reliably value the expenses attributable to the intangible fixed assets during development.

Development costs incurred prior to establishing the technical feasibility are recorded as a cost as and when incurred.

Development costs are mainly payroll costs and external subcontracting costs attributed to the development of new modules for the Sidetrade Network software, improving existing versions, quality control and testing, and depreciation of related development assets.

Accounting treatment of development costs relating to the new version of the software

Development costs for the new version and previous releases of the software were recorded in accounts as intangible fixed assets where the company considers that they meet the necessary criteria for activation. Activated development costs are amortised over three years which corresponds to the useful life of each version of the software.

- **Software**

Purchased software is amortised on a straight line basis over a duration ranging from one to five years.

Tangible fixed assets

Tangible fixed assets are accounted for at acquisition cost. Depreciation for tangible fixed assets is calculated based on the following methods and durations:

	Useful life	Method
• Fixtures, general and specific installations	Between 5 and 9 years	Straight line basis
• Computing and office equipment	Between 3 and 4 years	Straight line basis
• Furniture	Between 3 and 10 years	Straight line basis

Financial fixed assets

Financial fixed assets include deposits and guarantees paid, accounted for at nominal value and the share of the capitalised construction effort.

Cash allocated to a liquidity contract is accounted for in other financial fixed assets.

Own shares

The value of own shares is deducted from equity at purchase value.

Where shares are sold outside the group, the income from the sale and corresponding tax are recorded directly in consolidated reserves.

Receivables and debts

Receivables and debts were valued at nominal value.

A provision for depreciation of customer receivables is recorded on a case-by-case basis when an event changes the net value of the receivable (i.e., company in administration, etc.)

Asset adjustment accounts

- **Prepaid expenses**

These are expenses paid or accounted for and attributable to the next financial year.

- **Accrued income**

These are receivables which are expected to be received in the next financial year and attributable to the financial year closed.

Investment securities

Investment securities are accounted for based on the historical cost method. A provision is recorded where a loss in value is recorded.

Recognition of turnover

The method for recognising turnover and associated costs depends on the type of contracts entered into with customers.

- **Provision of services:**

For Sidetrade Network software integration, consulting, training or operational assistance, audit and contentious debt recovery, turnover is accounted for as and when services are provided.

- **Progiciel Sidetrade Network:**

The company markets its Sidetrade Network software based mainly on annual or multi-annual subscription contracts or as maintenance services (when not included in the subscription contract for the service). As a result, the associated turnover is recorded monthly based on the volume of transactions processed.

Provisions for risks and expenses

A provision is recorded when a commitment (legal, regulatory or contractual) exists as a result of past events, when it is probable or certain that it will result in an outflow of resources for no consideration at least equal in value, and the amount can be reliably valued.

The amount entered as a provision represents the best estimate of risk on the publication date of the consolidated balance sheet. Provisions are recorded at nominal value (not updated).

Retirement commitments

In compliance with the preferential method recommended by regulation 99-02, a provision for retirement and related deferred tax is recorded in the consolidated accounts.

Deferred tax

The group calculates deferred tax based on the variable carry-forward method on the differences between accounting and fiscal values of assets and liabilities in the balance sheet. Deferred tax is recorded in accounts at the tax rate applicable on the publication date of the accounts, adjusted to take account of changes to French tax law and current tax rates.

Deferred tax assets are recorded based on differences in deductibility over time, tax losses and deficits carried over.

A deferred tax asset on deficits carried forward is recorded when it is probable that the relevant tax entity can recover them through a forecast taxable profit.

Deferred tax assets are recorded as net assets or liabilities by tax entity.

At 30 June 2020, the tax rate applied is 26.5%.

The research tax credit is accounted for as an operational subsidy.

It is recorded as deferred income when it relates to fixed development costs and write-backs are then recorded based on the depreciation schedule of the given asset.

Currency conversion method for integrated company accounts

When consolidated accounts for foreign companies are established in a currency other than in euro, the conversion method applied is "closing rate method":

Financial reports for foreign subsidiaries are established in their operating currency, the currency which is most representative of the given subsidiary's business activities.

Assets and liabilities are converted during the accounts closing process on the date of the balance sheet and the conversion for profit and loss accounts is based on the annual average rate.

Rate differences on long-term current accounts are entered directly in a translation reserve. At 30 June 2020, contribution to equity amount to €37k. The main conversions are between euros and GBP.

The conversion rates applied are:

Currency	Opening rate	Average rate	Closing rate
GBP	0.8508	0.8743	0.9124

Notes to the balance sheet statement

1. Breakdown of acquisition goodwill

Data in €k	12.2019	Increase	Decrease	06.2020
Acquisition goodwill	9,624		-92	9,531
Depreciation on acquisition goodwill	-820			-820
Net value	8,803	8,897	8,897	8,711

Acquisition goodwill has fallen by €92k following an additional price adjustment for the acquisition of BrightTarget recorded in the first half of 2020.

2. Intangible and tangible fixed assets

The breakdown of gross values is shown in the table below:

Data in €k	12.2019	Increase	Decrease	Other variance	06.2020
Acquisition goodwill	9,624		(92)		9,532
Development costs	3,111	100			3,211
Concessions, patents, licences and similar rights	347				347
Company start-up expenses	30				30
Intangible fixed assets	13,111	100	(92)		13,119
Constructions	27				27
Facilities, buildings and equipment	56	5			61
Other tangible fixed assets	2,511	233			2,744
Tangible fixed assets	2,594	237			2,832
Tangible fixed assets and intangible assets	15,705	337	(92)		15,951

The increase in development costs (+€100k) is due to activations carried out during the financial year.

“Concessions, patents and similar rights” apply to software purchased for development work.

The increase in tangible fixed assets during the 2020 financial year relates to the acquisition of computing equipment.

The breakdown of amortisation and depreciation is shown in the table below:

Data in €k	12.2019	Allocation	Other variance	06.2020
Amortisation on acquisition goodwill	(820)			(820)
Amortisation on development costs	(2,722)	(113)		(2,835)
Amortisation on concessions, patents and similar rights	(295)	(8)		(303)
Amortisation on company start-up expenses	(30)			(30)
Fixed assets	(3,867)	(121)		(3,988)
Depreciation on constructions	(27)			(27)
Depreciation on facilities, buildings and equipment	(46)	(3)		(49)
Depreciation on other tangible fixed assets	(1,839)	(182)		(2,021)
Tangible fixed assets	(1,912)	(184)		(2,097)
Tangible fixed assets and intangible assets	(5,780)	(305)		(6,085)
Net value	9,926			9,866

3. Financial fixed assets

The breakdown of gross values is shown in the table below:

Data in €k	12.2019	Increase	Decrease	06.2020
Loans	264	17		281
Deposits and guarantees deposited	396	27	(15)	409
Other customer receivables	131	70		201
Financial fixed assets	791	114	(15)	890
Equity method securities				
Financial assets	791	114	(15)	890

Loans and deposits mainly include:

- construction projects (€281k)
- rent deposit for the Boulogne head office (€142k)
- rent deposit for the Paris premises (€122k)
- rent deposit for Sidetrade UK Limited's premises (€95k)

The remaining cash on the available funds account is recorded as non-performing assets amounting to €201k.

4. Customer receivables and related accounts

Customer receivables are broken down as follows:

Data in €k	06.2020	12.2019
Customer receivables	9,371	7,863
Bad debts	922	626
Invoices to raise	527	360
Gross value	10,820	8,849
Provisions	(1,479)	(958)
Net value	9,340	7,892

Provisions for depreciation of customer receivables (€1,479k at 30 June 2020) vary as follows:

In €k	12.2019	Increase	Decrease	06.2020
Provisions for depreciation	(958)	(649)	127	(1,479)
Provisions for depreciation	(958)	(649)	127	(1,479)

Allocations for provisions for depreciation on doubtful debts are recorded in the "Provisions for liabilities on current assets" account (€649k).

Income from write-backs on provisions for depreciation on doubtful debts are recorded in the "Operational revenue - provision write-backs" account (€127k).

All other customer receivables are due within one year.

5. Other receivables

Other receivables are broken down as follows:

Data in €k	06.2020	12.2019
Suppliers, advances	307	319
Staff debts		2
State - Tax on profit	1,168	4,095
Fiscal receivables excluding tax on profit	870	542
Deferred tax - assets	502	523
Other debtors	115	122
Other receivables	2,963	5,603

At 30 June 2020, the "Tax on Profit" account includes:

- Sidetrade SA's research tax credit for 2020 amounting to €800k
- BrightTarget's research tax credit for 2019 and 2020 amounting to €160k

The decrease in this account is explained by a refund of Sidetrade SA's research tax credit for 2018 (€1,735k) and BrightTarget's research tax credit for 2017 and 2018 (€1,822k).

Deferred tax on assets includes the activation of €213k of deficits carried forward and the impact of processing treasury shares for €264k.

Other receivables are due within one year except for deferred tax assets.

6. Net cash

Data in €k	06.2020	12.2019
Investment securities - cash equivalents	731	731
Cash	11,141	4,575
Interest incurred not due - liabilities		
Working cash	11,873	5,306
Credit facilities (debts)	23	1
Cash liabilities	23	1
Net cash	11,850	5,305

7. Prepaid expenses

Prepaid expenses are broken down as follows:

Data in €k	06.2020	12.2019
Prepaid expenses - Rent	143	36
Prepaid expenses - Other	945	541
Prepaid expenses	1,088	578

The "Other" account mainly includes software rental amounting to €432k at 30 June 2020.

8. Variance in consolidated equity

Data in €k	Capital	Capital bonuses	Reserves	Treasury shares	Group conversion reserves	Net income (group share)	Equity (group share)
At 31/12/2019	1,416	4,960	11,415	(4,511)	(36)	2,197	15,441
Allocation of net income N-1			2,197			(2,197)	
Distribution/gross payment							
Cash and subscribed capital variation	9	(9)					
Net income						1,110	1,110
Other increases/decreases							
Reclassification/change of method			880	1,594			2,473
Currency conversion/exchange rate difference					(37)		(37)
Other							
At 30/06/2020	1,425	4,951	14,491	(2,917)	(73)	1,110	18,987

The amount of the cancellation of 65,802 own shares held at 30 June 2020 in the scope of a liquidity and own-share holding contract amounting to €2,917k.

Restatement of rate differences were recorded in equity (€37k).

Composition of the share capital

At 30 June 2020, equity is composed of 1,425,496 shares with a nominal value of €1 each, i.e., share capital of €1,425,496.

Bonus share allocation plan

Authority was granted to the Management Board by the General Meeting on 22 June 2017 to allocate bonus shares to Company employees and/or eligible corporate officers within the limit of 3% of capital, i.e., 41,700 shares. This authority was granted for a period of 36 months with effect from 22 June 2017.

The Management Board of 16 April 2020 drew up an initial list of 41 individuals who could benefit from the bonus share allocation plan representing a total of 40,907 shares, i.e., a maximum dilution of 2.9%.

At 30/06/2020	Bonus share allocation plan
Date of the General Meeting	22/06/2017
Date of the Management Board meeting	16/04/2020
Number of shares authorised	41,700
Number of shares allocated	40,907
Number of void allocations	6,171
Number of shares issued	9,090
Total number of shares which can be issued	
Total number of shares	40,907
- Of whom corporate officers	2,820
Number of individuals concerned	43
- Of whom corporate officers	1

Share buyback scheme and liquidity contract

Under the liquidity contract granted to Bourse Gilbert Dupont by Sidetrade Group, the following resources are recorded in the liquidity contract at 30 June 2020:

Data in €k	06.2020	12.2019
Number of shares	65,802	103,038
Valuation	2,917	4,511
Balance on the available funds account	201	131

9. Conditional advances

Data in €k	12.2019	Increase	Decrease	06.2020
Conditional advances	1,004			1,004
Total conditional advances	1,004	0	0	1,004

Conditional advances correspond to the following aids:

- an "Innovation advance" previously accounted for at IKO System for €650k, granted by Bpifrance for a total of €850k, of which €650k was paid in 2016 to develop a B2B marketing platform. This aid is subject to deferred reimbursement

- aid granted by Bpifrance for a project aiming to collect data on companies to be used by B2B sales and marketing, previously accounted for at Data Publica amounting to €349k.

10. Provisions for risks and expenses

Data in €k	12.2019	Increase	Decrease	06.2020
Provisions for risk	474			474
Provisions for pensions and retirement	108		-20	88
Provisions for risks and expenses	582	0	-20	562

Provisions for risk at 30 June 2020 correspond mainly to various Employment Tribunal disputes (€287k) and a provision for supplier disputes (€187k).

The calculation of provisions for retirement complies with IAS standard 19 and the adjustment rate applied is 2.0%. The amount at 30 June 2020 is €88k including social security contributions.

The average age of Sidetrade Group employees at 30 June 2020 is 34. Average length of service at 30 June 2020 is three years.

11. Financial debts

Financial debts are broken down as follows:

Data in €k	12.2019	Increase	Decrease	06.2020
Interest incurred on loans	16	11		27
Loans from credit institutions - current	300		(8)	293
Deposits and guarantees received	3			3
Financial debts	319	11	(8)	323

Sidetrade holds a debt previously accounted for at Iko System. This loan granted by Bpifrance in 2016 relates to the financing of intangible expenses linked to the industrial and commercial launch of an innovation.

The initial amount was €300k and the balance due at 30 June 2020 is €225k.

Sidetrade holds a loan previously accounted for at Data Publica. This is a participative launch loan granted by the OSEO group for an initial amount of €150k whose balance due at 30 June 2020 is €68k.

12. Supplier debts

Supplier debts are broken down as follows:

Data in €k	06.2020	12.2019
Suppliers	1,377	1,217
Invoices not received	1,159	571
Fixed asset suppliers		
Supplier debts	2,536	1,788

13. Fiscal and social security debts

Fiscal and social security debts are broken down as follows:

Data in €k	06.2020	12.2012
Paid leave	909	544
Provisions for bonuses	662	334
Social security contributions	1,330	1,018
VAT to pay out	221	304
State - other outgoings	1,481	1,108
Other	13	(5)
State - tax on profit	139	26
Fiscal and social security debts	4,753	3,328

The corporate income tax debt mainly corresponds to a tax expense amounting to €84k owed by the subsidiary, Sidetrade UK.
All other debts are due within one year.

14. Other debts

Other debts are broken down as follows:

Data in €k	06.2020	12.2019
Customer credit notes to raise		
Customers in credit		
Other debts	169	85
Outgoings to pay	20	85
Other debts	189	170

Other debts mainly include €67k in Eurofirmo repayable advances.
All other debts are due within one year.

15. Outgoings to pay

Outgoings to pay are broken down as follows:

Data in €k	06.2020	12.2019
Credit notes to be issued	154	208
Unbilled payables	1,159	571
Fiscal and social security debts	1,764	993
Paid leave	909	544
Provisions for bonuses	662	334
Expense accounts	15	8
Tax on salaries	158	66
Various	21	42
Outgoings to pay	3,077	2,176

Notes to the profit and loss statement

16. Turnover

Turnover:

In €k	Turnover - Subscriptions	Turnover - Services	Total
06.2020	11,426	2,941	14,367
06.2019	9,883	2,699	12,582
Growth	16%	9%	14%

17. Other operational revenue

Data in €k	06.2020	06.2019
Capitalised production	100	150
Operational subsidies	1,104	1,244
Provision write-backs and transfer of operating expenses	146	970
Other revenue	1,120	1,052
Other operational revenue	2,470	3,416

The operating subsidy account mainly corresponds to the research tax credit for €898k for the 2020 financial year:

- A portion (€45k) of this tax credit was recorded as deferred income corresponding to the activated share of development costs (€100k).
- €51k of previous deferred income was included in the 2020 profit.

The total research tax credit amounted to €1,050k at 30 June 2019.

Provision write-backs relate to provisions for customer depreciation (€127k).

The "other income" account mainly corresponds to invoicing of electronic mail sending services (€1,097k).

18. Tax and duties

Data in €k	06.2020	06.2019
Tax on salaries	(85)	(92)
Other tax and duties	(160)	(88)
Tax and duties	(245)	(180)

Tax and duties mainly include the CVAE (company added value contribution) amounting to €113k and continuing training contribution (€47k).

19. Payroll costs

Data in €k	06.2020	06.2019
Staff salaries	(7,838)	(7,114)
Social security and disability insurance expenses	(2,344)	(2,321)
Other payroll costs	(23)	
Payroll costs	(10,204)	(9,435)

Payroll costs amounted to €10,204k at 30 June 2020.

No allocation to the employee profit-sharing reserve was made in the 2020 financial year.

20. Allocations for amortization, depreciation and provisions

Data in €k	06.2020	06.2019
Provisions for depreciation & depreciation on intangible assets	(121)	(121)
Provisions for depreciation & depreciation on tangible assets	(187)	(169)
Allocation for provisions on operations		(162)
Allocation for provisions for retirement		(30)
Allocations for depreciation on current assets	(649)	(695)
Operational allocations	(956)	(1,176)

Allocations for intangible fixed assets mainly include development costs (€113k).

Allocations for tangible fixed assets mainly include computing equipment and R&D infrastructure at Sidetrade (€138k).

Allocations for depreciation of current assets relate to provisions for bad debts (€428k) and statistical customer provisions (€221k).

21. Financial income

Data in €k	06.2020	06.2019
Write-backs on depreciation for financial assets		
Exchange rate gains on financial operations	91	27
Other financial income	93	
Financial income	184	27
Interest charges	(5)	(7)
Losses on financial receivables and investment securities		
Exchange rate losses	(278)	(18)
Other financial costs	(3)	(12)
Allocations for depreciation on financial assets		
Financial expenses	(285)	(37)
Financial result	(101)	(10)

Financial result mainly includes currency exchange rate gains and losses.

22. Exceptional income

Data in €k	06.2020	06.2019
Exceptional expenses from previous financial years	63	
Provision write-backs		
Exceptional expenses on management operations	34	
Exceptional income	97	-
Penalties		
Exceptional expenses from previous financial years		(5)
Losses on receivables		
Staff redundancy costs		
Allocations for amortisation and depreciation		
Exceptional losses on management operations	(12)	(81)
Exceptional losses	(12)	(86)
Exceptional result	84	(86)

Exceptional income mainly includes a reverse accounting entry for a payable outgoing accounted for in 2018.

23. Research and development costs

Total research and development costs for the half-year period amount to €2,783k and mainly include salaries (including social security contributions).

Sidetrade activated €100k in development costs for the 2020 financial year.

24. Tax on profit

Data in €k	06.2020	06.2019
Tax on profit	(132)	(72)
Tax credits		
Deferred tax	(21)	55
Tax on profit	(153)	(17)

Other information

25. Headcount

The headcount at 30 June 2020 is 231 employees.

The headcount is broken down as follows:

- 152 Men and 79 Women
- 229 permanent contracts and 2 fixed-term contracts (1 in France and 1 in Ireland)
- 98 management level staff, 8 employees and supervisors, and 125 other staff (foreign subsidiaries)

The average headcount over the financial year was 236 employees.

26. Off-balance sheet commitments

In €k	06.2020	12.2019
Market guarantees and counter-indemnities		
Securities, mortgages and real guarantees		
Agreements, deposits and guarantees agreed	64	78
Other commitments made		
Total commitments made	64	78
Market guarantees and counter-indemnities		
Securities, mortgages and real guarantees		
Agreements, deposits and guarantees received		
Other commitments received		
Total commitments received	0	0

Commitments granted relate to long-term commitments for company cars (€64k).

27. Senior management pay

Pay for members of the management board is not shown as this would imply an individual salary.

28. Bank loan commitments

Sidetrade holds a debt previously accounted for at Iko System. This loan granted by Bpifrance in 2016 relates to the financing of intangible expenses linked to the industrial and commercial launch of an innovation.

The initial amount was for €300k and the balance due at 30 June 2020 is €225k.

Sidetrade holds a loan previously accounted for at Data Publica. This is a participative launch loan granted by the OSEO group for an initial amount of €150k whose balance due at 30 June 2020 is €68k.

29. Additional price payment commitments

At 30 June 2020, there are no more additional price payments on acquisitions.