

SIDETRADE Group

Head office: 114, rue Gallieni

92100 Boulogne-Billancourt

---

Unaudited consolidated accounts at 30 June 2022 (unaudited)



## Table of contents

<b>Financial reports .....</b>	<b>3</b>
1. Consolidated balance sheet .....	3
2. Consolidated profit and loss .....	5
3. Consolidated cash flow .....	7
<b>Presentation of the group and business activity in the first half year.....</b>	<b>8</b>
1. Business activity in the first half year .....	8
2. General principles .....	10
3. Definition of the scope of consolidation .....	10
4. Changes in the scope of consolidation .....	10
5. Accounting rules and methods .....	11
<b>Notes to the balance sheet statement .....</b>	<b>14</b>
1. Breakdown of acquisition goodwill .....	14
2. Intangible and tangible fixed assets .....	14
3. Financial fixed assets .....	15
4. Customer receivables and related accounts receivable .....	16
5. Other receivables .....	16
6. Net cash .....	17
7. Prepaid expenses .....	17
8. Variance in consolidated equity .....	17
9. Conditional advances .....	18
10. Provisions for risks and expenses .....	19
11. Financial debts .....	19
12. Supplier debts .....	19
13. Fiscal and social security debts .....	20
14. Other debts .....	20
15. Outgoings to pay .....	21
<b>Notes to the profit and loss statement .....</b>	<b>22</b>
16. Turnover .....	22
17. Other operational revenue .....	22
18. Taxes .....	22
19. Payroll costs .....	23
20. Allocations for amortisation, depreciation and provisions .....	23
21. Financial Profit .....	23
22. Exceptional profit .....	24
23. Research and development costs .....	24
24. Tax on profit .....	24
<b>Other information .....</b>	<b>25</b>
25. Headcount .....	25
26. Off-balance sheet commitments .....	25
27. Senior management pay .....	25
28. Bank loan commitments .....	25
29. Additional price payment commitments .....	26

## Financial reports

### 1. Consolidated balance sheet

Consolidated balance sheet (in €)	Gross values	Amortisation and depreciation	06.2022	12.2021
<b>Uncalled share capital</b>				
Acquisition goodwill	21,157,957	-820,415	20,337,542	20,337,542
Company start-up	30,000	-30,000	0	0
Development costs	3,685,983	-3,194,316	491,667	379,166
Concessions, patents, licences and similar rights	406,756	-365,533	41,223	33,204
<b>Intangible fixed assets</b>	<b>25,280,696</b>	<b>-4,410,264</b>	<b>20,870,431</b>	<b>20,749,912</b>
Constructions	26,543	-26,43	0	0
Facilities, buildings and equipment	230,331	-94,569	135,762	44,278
Other tangible fixed assets	3,904,269	-2,871,479	1,032,790	1,145,324
<b>Tangible fixed assets</b>	<b>4,161,143</b>	<b>-2,992,592</b>	<b>1,168,551</b>	<b>1,189,601</b>
Shares	174,265	-174,265	0	0.2
Receivables from equity interests - current	90,761	-90,761	0	0
Loans	345,735		345,735	325,16
Deposits and guarantees deposited	713,627,		713,627,	707,379
Non-performing assets	430,181		430,181	509,576
<b>Financial fixed assets</b>	<b>1,754,569</b>	<b>-265,026</b>	<b>1,489,544</b>	<b>1,542,171</b>
<b>Fixed assets</b>	<b>31,196,408</b>	<b>-7,667,882</b>	<b>23,528,526</b>	<b>23,481,685</b>
<b>Work in progress in stock</b>				
Customer receivables and related accounts - current	9,410,411	-1,178,083	8,232,328	8,996,520
<b>Customer receivables &amp; related accounts receivable</b>	<b>9,410,411</b>	<b>-1,178,083</b>	<b>8,232,328</b>	<b>8,996,520</b>
<b>Other receivables and adjustment accounts</b>	<b>4,350,220</b>	<b>-38,380</b>	<b>4,311,840</b>	<b>4,401,403</b>
Investment securities - cash equivalents	249,642	-7,685	241,956	249,642
Cash	22,215,973		22,215,973	17,754,832
<b>Cash and other</b>	<b>22,465,615</b>	<b>-7,685.08</b>	<b>22,457,929</b>	<b>18,004,474</b>
<b>Prepaid expenses - current</b>	<b>1,298,609</b>		<b>1,298,609</b>	<b>1,007,877</b>
<b>Current assets</b>	<b>37,524,854</b>	<b>-1,224,147</b>	<b>36,300,707</b>	<b>32,410,274</b>
<b>Total assets</b>	<b>68,721,262</b>	<b>-8,892,029</b>	<b>59,829,234</b>	<b>55,891,959</b>
<b>Checking</b>			<b>0</b>	<b>0</b>

<b>Consolidated balance sheet - liabilities (in €)</b>	<b>06.2022</b>	<b>12.2021</b>
Capital	1,451,984	1,436,091
Capital bonuses	4,924,344	4,940,237
Consolidated reserves	22,902,935	18,256,570
Ownership of parent by subsidiary	-6,586,846	-6,578,771
Net income (group share)	2,345,610	4,721,567
Net investment subsidies		
Regulated provisions		
<b>Total equity</b>	<b>25,038,026</b>	<b>22,775,694</b>
Conditional advances	449,518	559,518
<b>Other equity</b>	<b>449,518</b>	<b>559,518</b>
Provisions for risk	738,898	638,483
Provisions for pensions and retirement	103,192	103,192
<b>Provisions for risks and expenses</b>	<b>842,090</b>	<b>741,675</b>
Loans and other financial debts	12,480,267	13,032,540
Deposits and guarantees received	4,673	4,554
Interest incurred on loans	13,346	13,169
Bank credit facilities	29,919	75,299
<b>Financial debts</b>	<b>12,528,206</b>	<b>13,125,562</b>
<b>Advances and deposits received against orders</b>	<b>578,852</b>	<b>282,819</b>
Suppliers and related accounts	2,472,358	2,638,135
Fiscal and social security debts	4,999,139	4,747,920
Other debts	663,368	517,674
<b>Other debts</b>	<b>8,134,865</b>	<b>7,903,729</b>
<b>Deferred income</b>	<b>12,257,677</b>	<b>10,502,962</b>
<b>Total liabilities</b>	<b>59,829,234</b>	<b>55,891,959</b>
Checking	0	0

## 2. Consolidated profit and loss

Consolidated profit and loss (in €)	06.2022	06.2021
<b>Turnover</b>	<b>17,817,523</b>	<b>16,064,905</b>
Production in stock (work in progress)		
Capitalised production	175,000	70,000
Operational subsidies	1,805,217	904,500
Provision write-backs and transfer of operating expenses	50,435	286,894
Other revenue	1,148,267	1,119,144
<b>Other operational revenue</b>	<b>3,178,918</b>	<b>2,380,538</b>
<b>Operational revenue</b>	<b>20,996,441</b>	<b>18,445,443</b>
Other purchases and external expenses	-4,749,212	-4,806,447
<b>Outgoings</b>	<b>-4,749,212</b>	<b>-4,806,447</b>
<b>Taxes</b>	<b>-255,798</b>	<b>-219,766</b>
Staff salaries	-10,119,242	-8,142,213
Social charges	-2,813,516	-2,442,325
Other payroll costs	-34,164	-9,286
<b>Payroll costs</b>	<b>-12,966,922</b>	<b>-10,593,823</b>
Provisions for depreciation & depreciation on intangible fixed assets	-71,512	-114,518
Provisions for depreciation & depreciation on tangible fixed assets	-226,246	-217,342
Allocation for provisions on operations	-119,500	-52,000
Allocation for provisions for retirement		-20,713
Allocations for depreciation on current assets	-164,949	-241,728
<b>Allocations for amortisation, depreciation and provisions</b>	<b>-582,207</b>	<b>-646,301</b>
Other exceptional outgoings	-86	1
<b>Operating expenses</b>	<b>-18,554,224</b>	<b>-16,266,335</b>
<b>Operating income</b>	<b>2,442,217</b>	<b>2,179,108</b>

	06.2022	06.2021
<b>Operating income</b>	<b>2,442,217</b>	<b>2,179,108</b>
Reversals of impairment	107,140	
Exchange rate gains on financial operations	198,540	67,502
Other financial income		31,188
<b>Financial income</b>	<b>305,680</b>	<b>98,690</b>
Interest charges	-64,020	-3,901
Losses on financial receivables and investment securities		
Exchange rate losses on financial operations	-28,217	-60,977
Other financial costs		
Allocations for depreciation on financial assets	-95,740	-18,451
<b>Financial expenses</b>	<b>-187,977</b>	<b>-83,330</b>
<b>Profit</b>	<b>117,703</b>	<b>15,360</b>
<b>Current income of integrated companies</b>	<b>2,559,920</b>	<b>2,194,467</b>
Exceptional income on management operations	26	
Exceptional expenses from previous financial years		
<b>Extraordinary income</b>	<b>26</b>	<b>0</b>
Exceptional losses on management operations	-255	-150
Exceptional losses on previous financial years		
<b>Exceptional losses</b>	<b>-255</b>	<b>-150</b>
<b>Exceptional profit</b>	<b>-229</b>	<b>-150</b>
Tax on profit	-176,527	-65,302
Tax income or expenses		
Deferred tax(ation)	-37,554	-32,278
<b>Tax on profit</b>	<b>-214,081</b>	<b>-97,580</b>
<b>Net income of integrated companies</b>	<b>2,345,610</b>	<b>2,096,738</b>
Allocations for depreciation on acquisition goodwill		
Proportion of net income from company equity revaluation		
<b>Consolidated net income</b>	<b>2,345,610</b>	<b>2,096,738</b>
Minority interests		
<b>Net income (group share)</b>	<b>2,345,610</b>	<b>2,096,738</b>

### 3. Consolidated cash flow

Consolidated cash flow (in €k)	06.2022	12.2021
<b>Net income of consolidated entities</b>	<b>2,346</b>	<b>4,722</b>
Allocations/write-backs and provisions for depreciation	398	487
Variation in deferred tax	38	-5
Gains or losses calculated from fair-value variations		
Elimination of gains or losses from sale of assets		
Elimination of MEE company profit share		
Other items with no impact on cash	13	13
<b>Cash flow from operations</b>	<b>2,795</b>	<b>5,217</b>
Dividends received from equity revaluation		
Variation in working capital requirements (including provisions)	2,634	2,167
<b>NET OPERATIONAL CASH FLOW (I)</b>	<b>5,429</b>	<b>7,384</b>
Acquisitions of fixed assets	-420	-1,437
Sale of fixed assets		
Reduction of other financial fixed assets	79	8
Impact on variations in scope		-11,117
Net variation in short-term investment		
Internal operations on fixed assets (balance sheet)		
<b>NET INVESTMENT CASH FLOW (II)</b>	<b>-340</b>	<b>-12,546</b>
Loan issues		13,091
Loan repayments	-675	-1,090
Increases/reductions in capital		112
Net sale (acquisition) of treasury shares	-78	-3,375
Net variation in credit facilities	-3	2
<b>NET CASH FLOW GENERATED BY FINANCIAL OPERATIONS (III)</b>	<b>-756</b>	<b>8,740</b>
Exchange rate gains/losses (IV)	164	95
Exchange rate gains/losses on other balance sheet accounts		
<b>EFFECT OF EXCHANGE RATE VARIANCE</b>	<b>164</b>	
<b>CASH FLOW VARIANCE (I + II + III + IV)</b>	<b>4,496</b>	<b>3,673</b>
Initial cash reserves	17,932	14,259
Opening reallocation		
<b>Initial cash reserves</b>	<b>17,932</b>	<b>14,259</b>
Cash carried forward/ reallocated/ fair-value method difference		
<b>Final cash reserves</b>	<b>22,428</b>	<b>17,932</b>

## Presentation of the group and business activity in the first half year

### 1. Business activity in the first half year

#### Orders 42% up

In the first half of 2022, Sidetrade set a record for **SaaS orders placed in the area of Order-to-Cash which generated** additional revenue in subscriptions on an annual basis (Annual Recurring Revenue or ARR) of **€3.04m**, compared to €2.14m in the first half of 2021, i.e. **growth of +42%**. The total value of these new subscription contracts for the initial firm contractual periods (not including renewals or provision of services) comes to **€9.95m** (Total Contract Value or TCV) in the first half of 2022, compared to €6.32m in the first half of 2021, i.e. **growth of +57%**.

**€1.77m in services provided on an annual basis** (implementation, parameterisation, training, recurring services, etc.) should be added to these SaaS orders, compared to €1.37m in the first half of 2021, i.e. a rise of **29%**. In total, taking into account that these provisions of services will virtually all be invoiced in the next twelve months, the first half of 2022 allows Sidetrade to add the equivalent of **€4.81m of Annual Contract Value (ACV)** compared to €3.51m in the first half of 2021, i.e. **growth of +37%**.

The average initial commitment period for new clients (not including renewals) came to 44 months, compared to an average of 36 months in the previous financial year. This level of commitment is proof of the confidence of big customers in Sidetrade's solutions and reinforces the visibility of future revenue. It should be noted that as with all existing contracts, these new contracts include **an annual automatic price re-indexation clause** based on changes in price indices for the relevant country.

#### 58% of orders were taken in the United States, the new driver of growth

In the first half of 2022, **over 74% of orders taken were international**, driven by a sales success rate unprecedented among global organisations.

#### Sidetrade outperforms its targets in North America

One year after operations were launched in North America, Sidetrade is surpassing its targets (to achieve more than one-third of total orders booked by the second half of 2022), with **58% of orders originating in the United States**. The company signed significant contracts with three large American corporations including the strategic IT services giant in the first quarter and Insight Enterprises (see [press release of 06/09/2022](#)) in the second quarter of 2022.

Overall, in the first half of 2022, orders placed by new customers ("**New Business**"), benefiting success in America and accounting for **68% of the total**, compared to 55% on average in recent quarters. Expansion to new organisations within a group (Cross-Selling) represented **13% of orders**, and sales of additional modules to existing clients (**Upselling**) made up **19% of the total**.

The United States has also notably impacted the **average size of new contracts** (excluding Upselling). Whereas in the first half of 2021, the average totalled €81,000 per year of subscription (ARR), it will amount to **€190,000** per year of subscription in the second half of 2022.

#### Inflation generates robust pricing power for Order-to-Cash solutions

##### Businesses must be prepared to respond to the inflationary environment

Companies face a twofold challenge: consolidating their cash reserves in an inflationary context, and generating productivity gains to address salary increases and recruitment difficulties. This trend is expected to continue over the next 12 to 24 months with an increased risk of future recession, notably linked to multiple hikes in interest rates. In this context, the management of operating working capital, and particularly accounts receivable, is a major challenge for businesses.

##### The Sidetrade model responds to challenges on the world market

Return on investment for Sidetrade customers is directly proportional to the cost of the cash made available by the "Augmented Cash" platform and to the expected productivity gains.



'Order-to-Cash' Activities grew very sharply, by +17%, in the first half of 2022, driven by **19% growth in SaaS subscriptions**. The growth in this recurring revenue is the result of record orders in the fiscal year 2021, which will continue to impact revenue growth throughout the 2022 fiscal year.

'Order-to-Cash' Activities, a core business within the Company's strategy since 2019, now represent **97% of total turnover**.

'Sales & Marketing' activities, on the other hand, have become secondary in the company's strategy. They represent no more than **3% of total turnover in this half year**, and will continue to play a less prominent role commercially, with estimated revenue of **€0.9 million at end-2022**.

Sidetrade's turnover **grew by 11%** in the first half of 2022, to €17.8 million. This performance is supported by solid growth drivers on **international markets, which now represent 51% of total revenue, including 21% for North America**.

Sidetrade's economic model provides its business with significant resilience, as 91% of its revenue is recurring, representing a significant advantage in the current and future environment. All of these multi-year contracts are indexed to inflation (the Syntec for Southern Europe, the UK CPI for Northern Europe and the US CPI for the United States), which allows the total price of SaaS subscriptions each year to be adjusted in line with changes in prices.

Sidetrade therefore has a robust pricing power that protects the company's future revenue against uncertainties and inflationary pressures. At present, Sidetrade perfectly combines its sound fundamentals with a highly favourable growth outlook.

### Trading Profit up +12% while making an investment in the United States

In the first half of 2022, **Sidetrade's Net Operating Income rose sharply by 12% to €2.4M**, 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 €1.5 million to reach €14.2 million (compared to €12.8 million in the first half of 2021), i.e., an 80% gross margin rate of turnover (compared to 79% in the first half of 2021), of which 93% on SaaS subscriptions.

Again in the half-year period, Sidetrade invested an additional €2.4M (+16%), primarily in developing its sales activities in the USA (+€1.8M) in order to support future growth in its North American business.

Net Operating Income includes a research tax credit for €1.2M (compared to €0.9M in the first half of 2021), an innovation subsidy of €0.7M and activation of R&D costs amounting to €0.17 million (compared to €0.1 million in the first half of 2021).

As a result of this state of affairs, the half-yearly Net Income rose to €2.3 million, up 12%, showing the combination of profitability and investments for future growth.

### A solid financial position with reinforced liquidity

At 30 June 2022, Sidetrade's financial structure continued to be reinforced with a position of very high liquidity of €22.4M, compared to €18M at 31 December 2021; added to this are 85,000 treasury shares with an estimated value at 30 June 2022 of €10.8M.

Sidetrade has a credit line totalling €13M following the acquisition of the company Amalto in April 2021 for this amount.

## Consolidation methods and principles

### 2. 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 31/12/2022 covered a period of 12 months, like that ending on 31/12/2021.

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.

### 3. Definition of the scope of consolidation

#### Scope of consolidation

Consolidated company	Business registration no.	Head office	Country
Sidetrade SA	430007252	114, rue Galliéni, Boulogne Billancourt	France
Sidetrade UK Limited	07742637	3rd Floor Waverley House, 7-12 Noel Street, London, United Kingdom, W1F 8GQ	United Kingdom
Sidetrade Limited	530457	27 Upper Mount Street, Dublin 2, Dublin, D02F890, Ireland	Ireland
Sidetrade B.V.	62973096	Johan Huizingalaan 763 A1066VH Amsterdam	The Netherlands
BrightTarget Limited	09107017	3rd Floor Waverley House, 7-12 Noel Street, London, United Kingdom, W1F 8GQ	United Kingdom
Amalto Technologies Corporation	4443806	200 Timberloch Place, Suite 200, The Woodlands, Texas 77375	United States
Sidetrade INC	7791780	60 Broad Sreet STE 3502, New York NY 10004	United States

#### Ownership and consolidation method

Name	Method	% interest (closing)	% interest (starting)	Acquisition/incorporation date
Sidetrade SA	Consolidating company	100.00	100.00	N/A
Sidetrade UK Limited	Fully consolidated	100.00	100.00	16/08/2011
Sidetrade Limited	Fully consolidated	100.00	100.00	19/07/2013
Sidetrade BV	Fully consolidated	100.00	100.00	27/03/2015
BrightTarget	Fully consolidated	100.00	100.00	18/11/2016
Sidetrade INC	Fully consolidated	100.00	100.00	09/01/2020
Amalto Technologies Corporation	Fully consolidated	100.00	100.00	06/04/2021

At 30 June 2022, the scope of consolidation included 7 companies.

All companies are fully consolidated.

### 4. Changes in the scope of consolidation

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

## 5. Accounting rules and methods

The accounts for the financial year 2021 were approved by the Management Board on 01/04/2022. 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:

	<b>Useful life</b>	<b>Method</b>
<ul style="list-style-type: none"> <li>• Fixtures, general and specific installations</li> </ul>	Between 5 and 9 years	Straight line basis
<ul style="list-style-type: none"> <li>• Computing and office equipment</li> </ul>	Between 3 and 4 years	Straight line basis
<ul style="list-style-type: none"> <li>• Furniture</li> </ul>	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.

### **Treasury shares**

The value of treasury 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 receivable**

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(ation)

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 2022, the tax rate applied is 25%.

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 2022, conversion assets amount to -€6k. The main conversions are between euros and GBP.

The conversion rates applied are:

Currency	Opening rate	Average rate	Closing rate
GBP	0.8403	0.8422	0.8582
USD	1.1326	1.0940	1.0387

## Notes to the balance sheet statement

### 1. Breakdown of acquisition goodwill

Data in €k	Initial	Increase	Decrease	Final
Acquisition goodwill	21,158			21,158
Depreciation on acquisition goodwill	-820			-820
<b>Net value</b>	<b>20,338</b>	<b>0</b>	<b>0</b>	<b>20,338</b>

### 2. Intangible and tangible fixed assets

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

Data in €k	Initial	Increase	Decrease	Other variance	Final
Acquisition goodwill	21,158				21,158
Development costs	3,511	175			3,686
Concessions, patents, licences and similar rights	389	18			407
Company start-up	30				30
<b>Intangible fixed assets</b>	<b>25,087</b>	<b>193</b>			<b>25,280</b>
Constructions	27				27
Facilities, buildings and equipment	122	108			230
Other tangible fixed assets	3,808	96			3,904
<b>Tangible fixed assets</b>	<b>3,957</b>	<b>205</b>			<b>4,161</b>
<b>Tangible and intangible fixed assets</b>	<b>29,044</b>	<b>398</b>			<b>29,441</b>

The increase in development costs (+€175k) 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 first half of 2022 relates to the acquisition of computing equipment.

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

Data in €k	Initial	Allocation	Other variance	Final
Amortisation on acquisition goodwill	(820)			(820)
Amortisation on development costs	(3,132)	(63)		(3,194)
Amortisation on concessions, patents and similar rights	(355)	(10)		(366)
Amortisation on company start-up expenses	(30)			(30)
<b>Intangible fixed assets</b>	<b>(4,338)</b>	<b>(73)</b>		<b>(4,410)</b>
Depreciation on constructions	(27)			(27)
Depreciation on facilities, buildings and equipment	(78)	(17)		(95)
Depreciation on other tangible fixed assets	(2,662)	(209)		(2,871)
<b>Tangible fixed assets</b>	<b>(2,767)</b>	<b>(226)</b>		<b>(2,993)</b>
<b>Tangible and intangible fixed assets</b>	<b>(7,105)</b>	<b>(298)</b>		<b>(7,403)</b>
<b>Net value</b>	<b>21,939</b>			<b>22,039</b>

### 3. Financial fixed assets

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

Data in €k	Initial	Increase	Decrease	Final
Loans	325	21		346
Deposits and guarantees deposited	707	6		714
Non-performing assets	510		(79)	430
<b>Financial fixed assets</b>	<b>1,542</b>	<b>27</b>	<b>(79)</b>	<b>1,490</b>
Equity method securities				
<b>Financial assets</b>	<b>1,542</b>	<b>27</b>	<b>(79)</b>	<b>1,490</b>

Loans and deposits mainly include:

- construction projects (€346k)
- rent deposit for the Boulogne head office (€144k)
- rent deposit for Sidetrade UK Limited's premises (€98k)
- rent deposit for Sidetrade Limited's premises (€30k)
- surety on BPI loans (€342k)

The remaining cash on the available funds account is recorded as non-performing assets amounting to €430k.

#### 4. Customer receivables and related accounts receivable

Customer receivables are broken down as follows:

Data in €k	06.2022	12.2021
Customer receivables	8,243	9,143
Bad debts	644	542
Invoices to raise	523	349
<b>Gross value</b>	<b>9,410</b>	<b>10,034</b>
Provisions	(1,178)	(1,037)
<b>Net value</b>	<b>8,232</b>	<b>8,997</b>

Provisions for depreciation of customer receivables (€1,178k at 30 June 2022) vary as follows:

Data in €k	12.2021	Increase	Decrease	06.2022
Provisions for depreciation	(1,037)	(165)	24	(1,178)
<b>Provisions for depreciation</b>	<b>(1,037)</b>	<b>(165)</b>	<b>24</b>	<b>(1,178)</b>

Allocations for provisions for depreciation on doubtful debts are recorded in the “Provisions for liabilities on current assets” account (€165k).

Income from write-backs on provisions for depreciation on doubtful debts are recorded in the “Operational revenue - provision write-backs” account (€24k).

All other customer receivables are due within one year.

#### 5. Other receivables

Data in €k	06.2022	12.2021
Suppliers, advances	89	116
Staff debts		2
State - Tax on profit	1,602	2,357
Fiscal receivables excluding tax on profit	1,556	839
Deferred tax - assets	746	783
Other debtors	358	304
<b>Other receivables</b>	<b>4,350</b>	<b>4,401</b>

Other receivables are broken down as follows:

At 30 June 2021, the “Tax on Profit” account includes primarily:

- Sidetrade SA’s research tax credit for 2022 amounting to €1,100k
- Sidetrade UKA’s research tax credit for 2022 amounting to €216k



The Deferred tax on assets includes the activation of €201k of deficits carried forward and the impact of processing treasury stock for €515k.

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

## 6. Net cash

Data in €k	06.2022	12.2021
Investment securities - cash equivalents	242	250
Cash	22,216	17,755
Interest incurred not due - liabilities		
<b>Working cash</b>	<b>22,458</b>	<b>18,005</b>
Bank credit facilities	30	75
<b>Cash liabilities</b>	<b>30</b>	<b>75</b>
<b>Net cash</b>	<b>22,428</b>	<b>17,930</b>

## 7. Prepaid expenses

Prepaid expenses are broken down as follows:

Data in €k	06.2022	12.2021
Prepaid expenses - Rent	185	218
Prepaid expenses - Other	1,113	790
<b>Prepaid expenses</b>	<b>1,299</b>	<b>1,008</b>

The "Other" account mainly includes software rental amounting to €750k at 30 June 2022.

## 8. Variance in consolidated equity

Data in €k	Capital	Capital bonuses	Reserves	Ownership of parent by subsidiary	Group conversion reserves	Net income (group share)	Equity (group share)
<b>At 31/12/2021</b>	<b>1,436</b>	<b>4,940</b>	<b>18,187</b>	<b>(6,579)</b>	<b>69</b>	<b>4,722</b>	<b>22,776</b>
<b>Consolidation</b>							
Allocation of net income for N-1			4,722			(4,722)	
Distribution/gross payment							
Cash and subscribed capital variation	16	(16)					
Net income						2,346	2,346
Other increases/decreases							
Reclassification/change of method			(70)	(8)			(78)
Currency conversion/exch. rate difference					(6)		(6)
Other							
<b>At 30/06/2022</b>	<b>1,452</b>	<b>4,924</b>	<b>22,839</b>	<b>(6,587)</b>	<b>64</b>	<b>2,346</b>	<b>25,038</b>

The amount of the cancellation of 86,151 treasury shares held at 30 June 2022 in the scope of a liquidity and own-share holding contract amounting to €6,587k.

Restatement of rate differences were recorded in equity (-€6k).

## Composition of the share capital

At 30 June 2022, equity is composed of 1,451,984 shares with a nominal value of €1 each, i.e., share capital of €1,451,984.

## Bonus share allocation plan

Authority was granted to the Management Board by the General Meeting on 17 June 2021 to allocate bonus shares to Company employees and/or eligible corporate officers within the limit of 3% of capital, i.e., 43,000 shares. This authority was granted for a period of 38 months with effect from 17 June 2021.

The Management Board of 8th June 2022 drew up an initial list of 55 individuals who could benefit from the bonus share allocation plan representing a total of 17,442 shares, i.e., a maximum dilution of 1.2%.

At 30/06/2022	Bonus share allocation plan
Date of the General Meeting	17/06/2021
Date of the Management Board meeting	8/06/2022
Number of shares authorised	43,000
Number of shares allocated	17,442
Number of void allocations	0
Number of shares issued	0
Total number of shares which can be issued	
Total number of shares	43,000
- Of whom corporate officers	862
Number of individuals concerned	55
- Of whom corporate officers	1

## Share buyback scheme and liquidity contract

Under the liquidity contract granted to Bourse Midcap Partners by Sidetrade Group, the following resources are recorded in the liquidity contract at 30 June 2022:

Data in €k	06.2022	12.2021
Number of shares	86,151	85,816
Valuation	6,587	6,579
Balance on the available funds account	430	510

## 9. Conditional advances

Data in €k	12.2021	Increase	Decrease	06.2022
Conditional advances	559		-110	450
<b>Total conditional advances</b>	<b>559</b>	<b>0</b>	<b>-110</b>	<b>450</b>

Conditional advances correspond primarily 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	Initial	Increase	Decrease	Final
Provisions for risk	460	120		580
Provisions for pensions and retirement	103			103
Other provisions	178	159	-178	159
<b>Provisions for risks and expenses</b>	<b>741</b>	<b>279</b>	<b>-178</b>	<b>842</b>

Provisions for risk at 30/06/2022 correspond to various Employment Tribunal disputes (€580k).

Other provisions at 30/06/2022 correspond mainly to provisions for exchange rate losses (€88k).

The calculation of provisions for retirement complies with IAS standard 19 and the adjustment rate applied is 2.0% The amount at 30/06/2022 is €103k.

The average age of Sidetrade Group employees at 30/06/2022 is 35.46. Average length of service at 30/06/2022 is 2.70 years.

## 11. Financial debts

Financial debts are broken down as follows:

Data in €k	12.2021	Increase	Decrease	06.2022
Interest incurred on loans	13			13
Loans from credit institutions - current	13,033		(552)	12,480
Deposits and guarantees received	5			5
<b>Financial debts</b>	<b>13,050</b>		<b>(552)</b>	<b>12,498</b>

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 2022 is €75k.

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. This loan is repaid in full at 30/06/2022.

Sidetrade holds a loan previously accounted for at Amalto SA. This loan of an initial sum of €500k was granted by Société Générale. The remaining balance due at 30/06/2022 is €228k.

Sidetrade has also taken out three loans totalling €13M following the acquisition of the company Amalto in April 2021 for this amount.

- BNP loan for the sum of €6.5m, 84-month loan at a rate of 0.8%, repayable quarterly in arrears, the last repayment set for 29/10/2024. The remaining balance due at 30/06/2022 is €5.6m.
- BPI loan for the sum of €5m, 84-month loan at a rate of 1.07% with repayment of principal deferred for 8 quarters followed by 20 quarterly repayments in arrears covering redemption of principal and payments of interest, the first of these due on 31/07/2023 and the last on 30/04/2028. The remaining balance due at 30/06/2022 is €5m.

- BPI loan of €1.5m, 84-month loan at a rate of 1.07% with repayment of principal deferred for 8 quarters followed by 20 quarterly repayments in arrears covering redemption of principal and payments of interest, the first of these due on 31/07/2023 and the last on 30/04/2028. The remaining balance due at 30/06/2022 is €1.5m.

## 12. Supplier debts

Supplier debts are broken down as follows:

Data in €k	06.2022	12.2021
Suppliers	1,227	1,387
Invoices not received	1,245	1,251
Fixed asset suppliers		
<b>Supplier debts</b>	<b>2,472</b>	<b>2,638</b>

## 13. Fiscal and social security debts

Fiscal and social security debts are broken down as follows:

Data in €k	06.2022	12.2021
Paid leave	1,067	735
Provisions for bonuses	581	791
Social charges	1,475	1,287
VAT to pay out	175	384
State - other outgoings	1,213	1,175
Other	(3)	35
State - tax on profit	491	341
<b>Fiscal and social security debts</b>	<b>4,999</b>	<b>4,748</b>

The corporate income tax debt mainly corresponds to a tax expense amounting to €243k owed by the subsidiary, Sidetrade UK and €91k by the subsidiary Sidetrade Limited and €85k by the subsidiary Sidetrade Inc.

All other debts are due within one year.

## 14. Other debts

Other debts are broken down as follows:

Data in €k	06.2022	12.2021
Customer credit notes to raise		
Customers in credit		
Other debts	664	518
Outgoings to pay		
<b>Other debts</b>	<b>664</b>	<b>518</b>

Other debts consist primarily of Research-ALPS and Eurofirmo repayable advances (€151k) and an earnout provision on Amalto (€334k).

All other debts are due within one year.

## 15. Outgoings to pay

Outgoings to pay are broken down as follows:

Data in €k	06.2022	12.2021
<b>PPA Credit notes to be issued</b>	<b>71</b>	<b>51</b>
<b>NPF Unbilled payables</b>	<b>1,245</b>	<b>1,251</b>
<b>Fiscal and social security debts</b>	<b>1,787</b>	<b>1,621</b>
Paid leave	1,067	735
Provisions for bonuses	581	791
Expense accounts	18	34
Tax on salaries	102	22
Various	18	39
<b>Outgoings to pay</b>	<b>3,103</b>	<b>2,922</b>

## Notes to the profit and loss statement

### 16. Turnover

Turnover:

In €k	Turnover subscriptions	Turnover Services	Total
06.2022	14,821	2,997	17,818
06.2021	13,351	2,714	16,065
<b>Growth</b>	<b>11%</b>	<b>10%</b>	<b>11%</b>

### 17. Other operational revenue

Data in €k	06.2022	06.2021
Capitalised production	175	70
Operational subsidies	1,805	905
Provision write-backs and transfer of operating expenses	50	287
Other revenue	1,148	1,119
<b>Other operational revenue</b>	<b>3,179</b>	<b>2,381</b>

The operating subsidy account mainly corresponds to the research tax credit for €1,316k for the 2022 financial year and a Eurofirm subsidy provision of €489k.

The "other income" account mainly corresponds to invoicing of electronic mail sending services (€1,068k).

### 18. Taxes

Data in €k	06.2022	06.2021
Tax on salaries	(127)	(81)
Other tax and duties	(129)	(139)
<b>Taxes</b>	<b>(256)</b>	<b>(220)</b>

Tax and duties mainly include the CVAE (company added value contribution) amounting to €60k.

## 19. Payroll costs

Data in €k	06.2022	06.2021
Staff salaries	(10,119)	(8,142)
Social security and disability insurance expenses	(2,814)	(2,442)
Other payroll costs	(34)	(9)
<b>Payroll costs</b>	<b>(12,967)</b>	<b>(10,594)</b>

Payroll costs amounted to €12,967k at 30 June 2022.

No allocation to the employee profit-sharing reserve was made in the 2022 financial year.

## 20. Allocations for amortisation, depreciation and provisions

Data in €k	06.2022	06.2021
Provisions for depreciation & depreciation on intangible fixed assets	(72)	(115)
Provisions for depreciation & depreciation on tangible fixed assets	(226)	(217)
Allocation for provisions on operations	(120)	(52)
Allocation for provisions for retirement		(21)
Allocations for depreciation on current assets	(165)	(242)
<b>Operational allocations</b>	<b>(582)</b>	<b>(646)</b>

Allocations for intangible fixed assets mainly include development costs (€72k).

Allocations for tangible fixed assets mainly include computing equipment and R&D infrastructure at Sidetrade (€195k).

Allocations for depreciation of current assets relate to provisions for bad debts (€270k) and statistical customer provisions (-€105k).

## 21. Financial Profit

Data in €k	06.2022	06.2021
Write-backs on depreciation for financial assets	107	
Exchange rate gains on financial operations	199	68
Other financial income		31
<b>Financial income</b>	<b>306</b>	<b>99</b>
Interest charges	(64)	(4)
Losses on financial receivables and investment securities		
Exchange rate losses	(28)	(61)
Other financial costs		
Allocations for depreciation on financial assets	(96)	(18)
<b>Financial expenses</b>	<b>(188)</b>	<b>(83)</b>
<b>Profit</b>	<b>118</b>	<b>15</b>

Financial income mainly includes currency exchange rate gains and losses and allocation and write-back of provision for exchange rate loss.

## 22. Exceptional profit

Data in €k	06.2022	06.2021
Exceptional expenses from previous financial years		
Provision write-backs		
Exceptional income on management operations		
<b>Extraordinary income</b>	-	-
Penalties		
Exceptional expenses from previous financial years		
Losses on receivables		
Staff redundancy costs		
Allocations for amortisation and depreciation		
Exceptional losses on management operations		
<b>Exceptional losses</b>	-	-
<b>Exceptional profit</b>	-	-

The exceptional profit was zero at 30/06/2022.

## 23. Research and development costs

Total research and development costs amount to €3,470k and mainly include salaries (including social security contributions). Sidetrade activated €175k in development costs for the 2022 financial year.

## 24. Tax on profit

Data in €k	06.2022	06.2021
Tax on profit	(176)	(65)
Tax credits		
Deferred tax(ation)	(38)	(32)
<b>Tax on profit</b>	<b>(-214)</b>	<b>(98)</b>



## Other information

### 25. Headcount

The headcount at 30 June 2022 is 281 employees.

The headcount is broken down as follows:

- 193 Men and 88 Women
- 273 permanent contracts and 8 fixed-term contracts (3 in France, 4 in Ireland and 1 in the UK)
- 114 management level staff, 5 employees and supervisors, and 162 other staff (foreign subsidiaries)

The average headcount over the first half of the financial year was 270 employees.

### 26. Off-balance sheet commitments

In €k	06.2022	12.2021
Market guarantees and counter-indemnities		
Securities, mortgages and real guarantees		
Agreements, deposits and guarantees agreed	19	34
Other commitments made		
<b>Total commitments made</b>	<b>19</b>	<b>34</b>
Market guarantees and counter-indemnities		
Securities, mortgages and real guarantees		
Agreements, deposits and guarantees received		
Other commitments received		
<b>Total commitments received</b>	<b>0</b>	<b>0</b>

Commitments granted relate to long-term commitments for company cars (€19k).

### 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 €300k and the balance due at 30 June 2022 is €75k.

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. This loan is repaid in full at 30/06/2022.

Sidetrade holds a loan previously accounted for at Amalto SA. This loan of an initial sum of €500k was granted by Société Générale. The remaining balance due at 30/06/2022 is €228k.

Sidetrade has also taken out three loans totalling €13M following the acquisition of the company Amalto in April 2021 for this amount.

- BNP loan for the sum of €6.5m, 84-month loan at a rate of 0.8%, repayable quarterly in arrears, the last repayment set for 29/10/2024. The remaining balance due at 30/06/2022 is €5.6m.

- BPI loan for the sum of €5m, 84-month loan at a rate of 1.07% with repayment of principal deferred for 8 quarters followed by 20 quarterly repayments in arrears covering redemption of principal and payments of interest, the first of these due on 31/07/2023 and the last on 30/04/2028. The remaining balance due at 30/06/2022 is €5m.
- BPI loan of €1.5m, 84-month loan at a rate of 1.07% with repayment of principal deferred for 8 quarters followed by 20 quarterly repayments in arrears covering redemption of principal and payments of interest, the first of these due on 31/07/2023 and the last on 30/04/2028. The remaining balance due at 30/06/2022 is €1.5m.

## **29. Additional price payment commitments**

No additional price payments on acquisitions was recorded for the financial year 2022.