



HALF-YEARLY REPORT CONSOLIDATED ACCOUNTS

**at 30 June 2023
(unaudited)**

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Financial reports

1. Consolidated balance sheet

Consolidated balance sheet - assets (in €)	Gross values	Amortisation and depreciation	06.2023	12.2022
Uncalled share capital				
Acquisition goodwill	17,922,767	-820,415	17,102,352	17,102,352
Company start-up	30,000	-30,000	0	0
Development costs	3,990,983	-3,427,650	563,333	500,000
Concessions, patents, licences and similar rights	481,866	-402,168	79,698	92,963
Goodwill	3,000,000	-225,000	2,775,000	2,850,000
Intangible fixed assets	25,425,616	-4,905,233	20,520,383	20,545,314
Constructions	26,543	-26,543	0	0
Facilities, buildings and equipment	584,100	-202,141	381,959	199,796
Other tangible fixed assets	4,128,780	-3,272,867	855,914	936,307
Tangible fixed assets	4,739,423	-3,501,551	1,237,872	1,136,103
Shares	174,265	-174,265	0	0
Receivables from equity interests - current	90,761	-90,761	0	0
Loans	381,129		381,129	359,982
Deposits and guarantees deposited	666,156		666,156	652,346
Non-performing assets	150,615		150,615	597,032
Financial fixed assets	1,462,925	-265,026	1,197,900	1,609,360
Fixed assets	31,627,964	-8,671,809	22,956,155	23,290,778
Work in progress in stock				
Customer receivables and related accounts - current	10,398,827	-1,459,156	8,939,671	14,457,431
Customer receivables and related accounts receivable	10,398,827	-1,459,156	8,939,671	14,457,431
Other receivables and adjustment accounts	6,032,203	-38,380	5,993,823	4,492,949
Investment securities - cash equivalents	18,218,941		18,218,941	12,223,071
Cash	5,836,087		5,836,087	8,109,002
Interest incurred not due - liabilities	159,948		159,948	26,377
Cash and other	24,214,975	0	24,214,975	20,358,450
Prepaid expenses - current	1,501,408		1,501,408	954,921
Current assets	42,147,414	-1,497,536	40,649,878	40,263,751
Total assets	73,775,378	(10,169,345)	63,606,034	63,554,530

Consolidated balance sheet - liabilities (in €)	06.2023	12.2022
Capital	1,467,926	1,451,984
Capital bonuses	4,908,402	4,924,344
Consolidated reserves	26,253,107	22,755,247
Ownership of parent by subsidiary	-6,584,111	-6,421,167
Net income (group share)	2,151,799	3,374,826
Total equity	28,197,123	26,085,233
Conditional advances	494,374	733,892
Other equity	494,374	733,892
Provisions for risk	241,026	595,956
Provisions for pensions and retirement	133,932	124,639
Provisions for risks and expenses	374,958	720,595
Loans and other financial debts	11,399,491	11,940,920
Deposits and guarantees received	4,610	4,636
Interest incurred on loans	12,100	12,733
Bank credit facilities	13,804	30,789
Financial debts	11,430,005	11,989,078
Advances and deposits received against orders	929,412	684,160
Suppliers and related accounts	2,253,070	2,353,503
Fiscal and social security debts	5,714,067	5,399,920
Other debts	206,951	326,399
Other debts	8,174,088	8,079,822
Deferred income	14,006,074	15,261,750
Total liabilities	63,606,034	63,554,530

2. Consolidated profit and loss

Consolidated profit and loss (in €)	06.2023	06.2022
Turnover	20,859,488	17,817,523
Production in stock (work in progress)		
Capitalised production	180,000	175,000
Operational subsidies	1,444,009	1,805,217
Provision write-backs and transfer of operating expenses	480,627	50,435
Other revenue	1,383,587	1,148,267
Other operational revenue	3,488,223	3,178,918
Operational revenue	24,347,710	20,996,441
Other purchases and external expenses	-6,356,457	-4,749,212
Outgoings	-6,356,457	-4,749,212
Taxes	-164,947	-255,798
Staff salaries	-11,440,312	-10,119,242
Social charges	-3,102,715	-2,813,516
Other payroll costs	-18,145	-34,164
Payroll costs	-14,561,172	-12,966,922
Provisions for depreciation & depreciation on intangible fixed assets	-211,703	-71,512
Provisions for depreciation & depreciation on tangible fixed assets	-269,047	-226,246
Allocation for provisions on operations		-119,500
Allocation for provisions for retirement	-9,293	
Allocations for depreciation on current assets	-275,008	-164,949
Allocations for amortisation, depreciation and provisions	-765,050	-582,207
Other exceptional outgoings		-85
Operating expenses	-21,847,626	-18,554,224
Operating income	2,500,084	2,442,217

Consolidated profit and loss (in €)	06.2023	06.2022
Operating income	2,500,084	2,442,217
Reversals of impairment		107,140
Exchange rate gains on financial operations		198,540
Other financial income	192,161	
Financial income	192,161	305,680
Interest charges	-53,044	-64,020
Losses on financial receivables and investment securities	-4,131	
Exchange rate losses on financial operations	-167,367	-28,217
Other financial costs		
Allocations for depreciation on financial assets	-4,181	-95,740
Financial expenses	-228,724	-187,977
Profit	-36,563	117,703
Current income of integrated companies	2,463,521	2,559,920
Exceptional income on management operations		
Exceptional expenses from previous financial years		
Exceptional income	0	26
Exceptional losses on management operations	-223	-255
Exceptional losses on previous financial years		
Exceptional losses	-223	-255
Exceptional profit	-223	-229
Tax on profit	-315,675	-176,527
Tax income or expenses		
Deferred tax(at)ion	4,176	-37,554
Tax on profit	-311,500	-214,081
Net income of integrated companies	2,151,799	2,345,610
Allocations for depreciation on acquisition goodwill		
Proportion of net income from company equity revaluation		
Consolidated net income	2,151,799	2,345,610
Minority interests		
Net income (group share)	2,151,799	2,345,610

3. Consolidated cash flow

Consolidated cash flow (in €k)	06.2023	12.2022
Net income of consolidated entities	2,152	3,375
Allocations/write-backs and provisions for depreciation	136	808
Variation in deferred tax	-4	36
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
Cash flow from operations	2,283	4,231
Dividends received from equity revaluation		
Variation in working capital requirements (including provisions)	2,649	-196
NET OPERATIONAL CASH FLOW (I)	4,932	4,035
Acquisitions of fixed assets	-604	-979
Sale of fixed assets		
Reduction of other financial fixed assets	462	108
Impact on variations in scope		
Net variation in short-term investment		
Internal operations on fixed assets (balance sheet)		
NET INVESTMENT CASH FLOW (II)	-142	-871
Loan issues		
Loan repayments	-542	-1,105
Changes in investment subsidies	-240	174
Increases/reductions in capital		
Net sale (acquisition) of treasury shares	-156	90
Net variation in credit facilities	-2	-1
NET CASH FLOW GENERATED BY FINANCIAL OPERATIONS (III)	-939	-842
Exchange rate gains/losses (IV)	20	75
Exchange rate gains/losses on other balance sheet accounts		
EFFECT OF EXCHANGE RATE VARIANCE		
CASH FLOW VARIANCE (I + II + III + IV)	3,871	2,398
Initial cash reserves	20,330	17,932
Opening reallocation		
Initial cash reserves	20,330	17,932
Cash: carried forward / reclass. / Fair-value method difference		
Final cash reserves	24,201	20,330

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

1. Business activity in the first half year

An historic first half of 2023, with almost €6m of orders taken in annual contract value (ACV), up 21%

In the first half of 2023, Sidetrade achieved an unprecedented performance in terms of order intake, with a total of **€5.84m** in annual value of new contracts signed (**ACV**). This represents significant growth of **21% compared with the first half of 2022**, despite a demanding base effect, since the first half of 2022 had already set a record in Sidetrade's history, with **€4.81m of ACV**.

Order intake for new subscriptions (SaaS) reached **€3.30m**, notably thanks to an exceptional second quarter of 2023, during which Sidetrade set a new all-time record with €2.41m of New ARRs signed in a single quarter. At the same time, **orders for services** (almost all of which are invoiced within twelve months of signing) totalled **€2.54m, up 44%** on H1 2022. This performance is mainly attributable to the growing number of roll-out projects signed worldwide.

The **average initial commitment period for new customers** (excluding renewals) over this half of the year was **44.8 months, compared with 43.2 months** in H1 2022, reflecting the confidence shown by new customers. This commitment period further strengthens the predictability of the company's revenue model. Furthermore, attrition remains at an extremely low level for the industry (generally around 10%), with a churn rate at the end of the first half of 2023 of 2.51%.

Sidetrade's winning strategy: more and more new global contracts

The commercial successes achieved over the last few months validate Sidetrade's strategic orientation, aimed at focusing specifically on companies with a turnover in excess of one billion dollars. This half-year performance is largely explained by the growing number of new global contracts signed with global companies such as Bayer AG, BIC, NIELSEN IQ and Dassault Systèmes. Sidetrade enjoys **1/ a technological lead** in artificial intelligence, **2/ enhanced credibility** thanks to a significant presence on both sides of the Atlantic for the implementation and support of global projects, **3/ as well as good commercial execution** that fosters collaboration between European and American sales teams.

In addition, the fact that Gartner has named Sidetrade as one of the World Leaders in Invoice-to-Cash solutions for the second year running has further strengthened its market position.

Expansion of Sidetrade's offering: a complete suite for the Order-to-Cash cycle and the success of CashApp

Another major reason for this performance lies in the expansion of the product offering, aimed at making the Sidetrade platform the most comprehensive modular suite covering all aspects of the Order-to-Cash cycle. This includes the dematerialisation of orders, real-time credit risk management, electronic invoicing, dunning and dispute management, and payment reconciliation. In this area, Sidetrade has achieved significant initial success with its new "CashApp" application, which uses *machine learning* and *deep learning* algorithms to automate the reconciliation of customer payments received at the bank with open invoices. CashApp has been well received by major customers such as Bayer AG and BIC, that have chosen it on a global scale.

In the first half of 2023, orders from new customers ("**New Business**") accounted for **62% of the total**, while extension to new entities within a group ("**Cross-Sell**") represented **13% of order intake**. Sales of additional modules to existing customers ("**UpSell**") accounted for **25% of the total**.

Strong turnover growth of +17%, including +21% for SaaS subscriptions

Revenues from 'Order to Cash' SaaS subscriptions continued to grow strongly in the first half of the year, **rising by 21%**.

For the first time, Sidetrade's half-year turnover broke the €20m barrier, reaching €20.9m, up 17% on the same period last year. There are two reasons for this growth:

- **Expansion in the United States**

The United States were a growth driver for Sidetrade in the first half of 2023, with revenues up 45%. As a result of this successful expansion, **international sales** now account for **57% of the company's total turnover**, **27%** of which comes from **North America**. The United States will continue to play a key role in Sidetrade's future growth.

- **Growing appeal to multinational companies**

An analysis of the clientele in the 'Order to Cash' segment reveals **spectacular growth of 46% in subscriptions from multinational companies** with annual contracts in excess of €250,000. These subscriptions now represent **42% of Sidetrade's total subscriptions** and should continue to be a significant growth driver in the coming months.

For the first half of 2023, the impact of exchange rates was not significant for Sidetrade.

Solid results in a context of accelerating investments

A record gross margin of 81% of the turnover

In the first half of 2023, Sidetrade achieved a **record gross margin**, representing **81% of the total turnover, with a gross margin of 93% for SaaS subscriptions. This performance stems from the company's strategy, which is based on technological leadership and rigorous cost management, in a context of economic inflation.**

Sidetrade continues to prove the solidity of its SaaS model, generating a significant incremental gross margin year after year.

Double-digit profitability (12%) despite €3.8m of investments in North America

The **operating profit for the first half of 2023** was €2.5m (compared with €2.4m in the first half of 2022), representing **12% of the turnover**. The profitability rose slightly, remaining in double figures, thanks to a combination of vigorous business growth, an excellent gross margin and effective cost control.

Sidetrade's robust economic model has made it possible to continue with investments in North America, which totalled €3.8m in the first half of 2023, an increase of €1.1m on the same period last year. These investments were mainly focused on building a team of around fifty people in North America.

The operating income in H1 2023 includes a Research Tax Credit of €1.3m, equivalent to that for the first half of 2022, as well as very marginal capitalisation of R&D costs of €0.2m. It should be noted that the first half of 2022 included an innovation subsidy (Eurofirmo project) of €0.5m. Excluding this exceptional item, the operating profit would have been up by €0.6m, or 25%.

With regard to Corporate Tax, the expense amounted to €0.3m in H1 2023, compared with €0.2m in H1 2022.

In the end, **Sidetrade's net income for the first half of 2023 was virtually unchanged at €2.2m**, illustrating a good balance between strategic investments, continued growth and profitability.

Note: the acquisition of CreditPoint Software on 30 June 2023 will be consolidated from 1 July 2023.

A solid financial position

At 30 June 2023, Sidetrade had **gross cash of €24.2m** (compared with €20.4m at 31 December 2022). The company also holds 86,000 treasury shares for a value of €12.1m as of 30 June 2023.

Sidetrade, the financial debt of which amounts to €11.4m (fixed rate of 1.1%), retains a **strong investment capacity enabling** it to accelerate its expansion.

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 31/12/2023 covered a period of 12 months, like that ending on 31/12/2022.

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	7742637	Third Floor, 6 Kean Street, London WC2B 4AS / 6th Floor, 4 St Philip's Place, Birmingham B3 2SL, UK	United Kingdom
BrightTarget Limited	09107017	6th Floor, 4 St Philip's Place, Birmingham B3 2SL, UK	United Kingdom
Sidetrade Limited	530457	Ferry House, 2nd Floor Front, 48/53 Lower Mount Street Lower, Dublin 2, D02 PT98	Ireland
Sidetrade B.V.	62973096	Johan Huizingalaan 763A 1066, VH AMSTERDAM	The Netherlands
Sidetrade Canada	2024424893	140 - 4th Avenue SW, Calgary, Alberta T2P 3N3	Canada
Amalto Technologies Corporation	4443806	2002 Timberloch Place Suite 200 The Woodlands Texas 77380	United States
Sidetrade INC	7791780	2002 Timberloch Place Suite 200 The Woodlands Texas 77380	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
Sidetrade Canada Ltd	Fully consolidated	100.00	100.00	30/06/2022
Amalto Technologies Corporation	Fully consolidated	100.00	100.00	06/04/2021

At 30 June 2023, the scope of consolidation included 8 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 2022 were approved by the Management Board on 03/28/2023. 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 market price at the closing.

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.

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.

- **Customer relations**

A customer relation was identified following an exercise to allocate the purchase price of Amalto in accordance with CRC regulation 99-02. It is depreciated over 20 years.

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.

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 2023, 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 2023, conversion assets amount to €116k. The main conversions are between euros, USD and GBP.

The conversion rates applied are:

Currency	Opening rate	Average rate	Closing rate
GBP	0.8869	0.8589	0.8612
USD	1.0666	1.0859	1.0985
CAD	1.4440	1.4424	1.4463

Notes to the balance sheet statement

1. Breakdown of acquisition goodwill

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Acquisition goodwill	17,923			17,923
Depreciation on acquisition goodwill	(820)			(820)
Net value	17,102			17,102

2. Intangible and tangible fixed assets

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

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Acquisition goodwill	17,923			17,923
Development costs	3,811	180		3,991
Concessions, patents, licences and similar rights	475	7		482
Company start-up	30			30
Goodwill	3,000			3,000
Intangible fixed assets	25,239	187		25,425
Constructions	27			27
Facilities, buildings and equipment	328	256		584
Other tangible fixed assets	4,004	125		4,129
Tangible fixed assets	4,358	381		4,739
Tangible and intangible fixed assets	29,597	568		30,165

The increase in development costs (+€180k) 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 2023 relates to the acquisition of computing equipment.

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

Data in €k	12/31/2022	Allocation	Reversal	06/30/2023
Amortisation on acquisition goodwill	(820)			(820)
Amortisation on development costs	(3,311)	(117)		(3,428)
Amortisation on concessions, patents and similar rights	(382)	(20)		(402)
Amortisation on company start-up expenses	(30)			(30)
Depreciation of goodwill	(150)	(75)		(225)
Intangible fixed assets	(4,694)	(212)		(4,905)
Depreciation on constructions	(27)			(27)
Depreciation on facilities, buildings and equipment	(128)	(74)		(202)
Depreciation on other tangible fixed assets	(3,068)	(205)		(3,273)
Tangible fixed assets	(3,222)	(279)		(3,502)
Tangible and intangible fixed assets	(7,916)	(491)		(8,407)
Net value	21,681	77		21,758

3. Financial fixed assets

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

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Loans	360	21		381
Deposits and guarantees deposited	653	96	(82)	666
Non-performing assets	597		(446)	151
Financial fixed assets	1,609	117	(529)	1,198
Equity method securities				
Financial assets	1,609	117	(529)	1,198

Loans and deposits mainly include:

- construction projects (€381k)
- rent deposit for the Boulogne head office (€161k)
- surety on BPI loans (€342k)

The remaining cash on the available funds account is recorded as non-performing assets amounting to €151k.

4. Customer receivables and related accounts receivable

Customer receivables are broken down as follows:

Data in €k	06/30/2023	12/31/2022
Customer receivables	8,335	14,266
Bad debts	1,253	1,168
Invoices to raise	810	333
Gross value	10,399	15,767
Provisions	(1,459)	(1,310)
Net value	8,940	14,457

Provisions for depreciation of customer receivables (€1,459k at 30 June 2023) vary as follows:

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Provisions for depreciation	(1,310)	(275)	126	(1,459)
Provisions for depreciation	(1,310)	(275)	126	(1,459)

Allocations for provisions for depreciation on doubtful debts are recorded in the “Provisions for liabilities on current assets” account (€275k).

Income from write-backs on provisions for depreciation on doubtful debts are recorded in the “Operational revenue - provision write-backs” account (€126k).

All other customer receivables are due within one year.

5. Other receivables

Data in €k	06/30/2023	12/31/2022
Suppliers, advances	145	45
Staff debts	2	1
State - Tax on profit	4,166	2,509
Fiscal receivables excluding tax on profit	669	915
Deferred tax - assets	751	747
Other debtors	298	276
Other receivables	6,032	4,493

At 30 June 2023, other receivables are broken down as follows:

The “Tax on Profit” account includes primarily:

- Sidetrade SA’s research tax credit for 2022 amounting to €1,993k and for 2023 amounting to €1,100k
- Sidetrade UK’s research tax credit for 2023 amounting to €227k

Deferred tax on assets includes the activation of €201k of deficits carried forward and the impact of processing treasury shares for €517k.

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

6. Net cash

Data in €k	06/30/2023	12/31/2022
Investment securities - cash equivalents	18,219	12,223
Cash	5,836	8,109
Interest incurred not due - liabilities	160	26
Working cash	24,215	20,359
Credit facilities (debts)	14	31
Cash liabilities	14	31
Net cash	24,201	20,329

7. Prepaid expenses

Prepaid expenses are broken down as follows:

Data in €k	06/30/2023	12/31/2022
Prepaid expenses - Rent	316	275
Prepaid expenses - Other	1,186	680
Prepaid expenses	1,501	955

The "Other" account mainly includes software rental amounting to €1,186k at 30 June 2023.

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)
At 12/31/2022	1,452	4,924	22,841	(6,421)	(86)	3,375	26,085
Allocation of net income for N-1			3,375			(3,375)	
Distribution/gross payment							
Cash capital variation	16	(16)					
Net income						2,152	2,152
Other increases / decreases							
Reclassification / change of method			7	(163)			(156)
Currency conversion/exchange rate difference					116		116
At 06/30/2023	1,468	4,908	26,223	(6,584)	30	2,152	28,197

The amount of the cancellation of 86,403 treasury shares held at 30 June 2023 in the scope of a liquidity and own-share holding contract amounting to €6,584k.

Restatement of rate differences were recorded in equity (€116k).

Composition of the share capital

At 30 June 2023, equity is composed of 1,467,926 shares with a nominal value of €1 each, i.e., share capital of €1,467,926.

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 06/30/2022	Bonus share allocation plan
Date of the General Meeting	17/06/2021
Date of the Management Board meeting	28/03/2023
Number of shares authorised	43,000
Number of shares allocated	34,026
Number of void allocations	986
Number of shares issued	0
Total number of shares which can be issued	
Total number of shares	43,000
- Of whom corporate officers	1,795
Number of individuals concerned	61
- 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 2023:

Data in €k	06/30/2023	12/31/2022
Number of shares	86,403	85,305
Valuation	6,584	6,421
Balance on the available funds account	151	597

9. Conditional advances

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Conditional advances	734		240	494
Total conditional advances	734		240	494

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 The total amount of repayments for the financial year amounts to €240K.
- Eurofirmo: a project to develop a comprehensive and up-to-date database on all EU companies and its tools in order for it to be used via a B2B marketing platform. This aid is subject to deferred reimbursement The total amount of repayable advances amounts to €417K as of 30/06/2023.

10. Provisions for risks and expenses

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Provisions for risk	574		358	216
Provisions for pensions and retirement	125	9		134
Other provisions	22	3		25
Provisions for risks and expenses	720	12	358	375

Provisions for risk at 30/06/2023 correspond to various Employment Tribunal disputes (€216k).

Other provisions at 30/06/2023 correspond mainly to provisions for exchange rate losses (€25k).

The calculation of provisions for retirement complies with IAS standard 19 and the adjustment rate applied is 3.65% The amount at 30/06/2023 is €134k.

The average age of Sidetrade Group employees at 30/06/2023 is 36.34. Average length of service at 30/06/2023 is three years.

11. Financial debts

Financial debts are broken down as follows:

Data in €k	12/31/2022	Increase	Decrease	06/30/2023
Interest incurred on loans	13	12	13	12
Loans from credit institutions - current	11,941		541	11,399
Deposits and guarantees received	5			5
Financial debts (excluding bank credit facilities)	11,958	12	555	11,416

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 30/06/2023 is €15k, including €15k at under one year.

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 30/06/2023 is €127K, including €101K at under one year.

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, 82-month loan at a rate of 0.8%, repayable quarterly in arrears, the last repayment set for 29/04/2028. The remaining balance due at 30/06/2023 is €4.7m, including €924K at under one year.

- 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 30/06/2023 is €5m, including €1,000K at under one year.

- 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 30/06/2023 is €1.5m, including €309K at under one year.

12. Supplier debts

Supplier debts are broken down as follows:

Data in €k	06/30/2023	12/31/2022
Suppliers	1,128	1,126
Invoices not received	1,125	1,227
Fixed asset suppliers		
Supplier debts	2,253	2,354

All debts are due within one year.

13. Fiscal and social security debts

Fiscal and social security debts are broken down as follows:

Data in €k	06/30/2023	12/31/2022
Paid leave	1,108	933
Provisions for bonuses	899	733
Social charges	1,404	1,367
VAT to pay out	332	317
State - other outgoings	1,172	1,618
Other	15	28
State - tax on profit	784	404
Fiscal and social security debts	5,714	5,400

All other debts are due within one year.

14. Other debts

Other debts are broken down as follows:

Data in €k	06/30/2023	12/31/2022
Other debts	207	326
Other debts	207	326

Other debts consist primarily of the earnout provision on Amalto (€99k).

All other debts are due within one year.

15. Outgoings to pay

Outgoings to pay are broken down as follows:

Data in €k	06/30/2023	12/31/2022
PPA Credit notes to be issued	580	345
NPF Unbilled payables	1,125	1,227
Fiscal and social security debts	2,109	1,807
Paid leave	1,108	933
Provisions for bonuses	899	733
Expense accounts	13	5
Tax on salaries	64	97
Various	25	40
Outgoings to pay	3,813	3,380

Notes to the profit and loss statement

16. Turnover

Turnover:

	In €k	OTC Platform subscriptions	Services	Total
	06.2023	17,701	3,145	20,859
	06.2022	14,821	2,997	17,818
Growth		19%	5%	17%

17. Other operational revenue

Data in €k	06/30/2023	06/30/2022
Capitalised production	180	175
Operational subsidies	1,444	1,805
Provision write-backs and transfer of operating expenses	481	50
Other revenue	1,384	1,148
Other operational revenue	3,488	3,179

The "Operating Subsidy" account corresponds mainly to the research tax credits for €1,327k.

The "Other income" account mainly corresponds to invoicing of electronic mail sending services (€1,065k).

18. Taxes

Data in €k	06/30/2023	06/30/2022
Tax on salaries	(88)	(127)
Other tax and duties	(77)	(129)
Taxes	(165)	(256)

Tax and duties mainly include the apprenticeship tax for €32k, continuing professional education for €52k, CVAE (company added value contribution) for €30k and CFE (corporate real estate tax) for €21k.

19. Payroll costs

Data in €k	06/30/2023	06/30/2022
Staff salaries	(11,440)	(10,119)
Social security and disability insurance expenses	(3,103)	(2,814)
Other payroll costs	(18)	(34)
Payroll costs	(14,561)	(12,967)

Payroll costs amounted to €14,561k at 30 June 2023.

No allocation to the employee profit-sharing reserve was made in the 2023 financial year.

20. Allocations for amortisation, depreciation and provisions

Data in €k	06/30/2023	06/30/2022
Provisions for depreciation & depreciation on intangible fixed assets	(212)	(72)
Provisions for depreciation & depreciation on tangible fixed assets	(269)	(226)
Allocation for provisions on operations		(120)
Allocation for provisions for retirement	(9)	
Allocations for depreciation on current assets	(275)	(165)
Operational allocations	(765)	(582)

Allocations for intangible fixed assets mainly include development costs (€137k).

Allocations for tangible fixed assets mainly include computing equipment and R&D infrastructure at Sidetrade SA (€176k).

Allocations for depreciation of current assets relate to provisions for bad debts (€200k) and statistical customer provisions (€75k).

21. Profit

Data in €k	06/30/2023	06/30/2022
Write-backs on depreciation for financial assets		107
Exchange rate gains on financial operations		199
Other financial income	192	
Financial income	192	306
Interest charges	(53)	(64)
Losses on financial receivables and investment securities	(4)	
Exchange rate losses	(167)	(28)
Other financial costs		
Allocations for depreciation on financial assets	(4)	(96)
Financial expenses	(229)	(188)
Profit	(37)	118

The profit mainly includes financial income from investments and foreign exchange losses, as well as interest on bank loans.

22. Exceptional profit

Data in €k	06/30/2023	06/30/2022
Exceptional expenses from previous financial years		
Provision write-backs		
Exceptional income on management operations		
Extraordinary income	-	-
Penalties		
Exceptional expenses from previous financial years		
Losses on receivables		
Staff redundancy costs		
Allocations for amortisation and depreciation		
Exceptional losses on management operations		
Exceptional losses	-	-
Exceptional profit		

The exceptional profit was zero at 30/06/2023.

23. Research and development costs

Total research and development costs amount to €4,187k and mainly include salaries (including social security contributions).

Sidettrade activated €180k in development costs for the 2023 financial year.

24. Tax on profit

Data in €k	06/30/2023	06/30/2022
Tax on profit	(316)	(176)
Tax credits		
Deferred tax(ation)	4	(38)
Tax on profit	(311)	(214)

Other information

25. Headcount

The headcount at 30 June 2023 is 292 employees.

The headcount is broken down as follows:

- 198 Men and 94 Women
- 286 permanent contracts and 6 fixed-term contracts (3 in France, 2 in Ireland and 1 in the UK)
- 110 management level staff, 5 employees and supervisors, 3 trainees and 174 other staff (foreign subsidiaries)

The average headcount over the first half of the financial year was 294 employees.

26. Off-balance sheet commitments

In €k	06/30/2023	06/30/2022
Market guarantees and counter-indemnities		
Securities, mortgages and real guarantees		
Agreements, deposits and guarantees agreed	102	100
Other commitments made		
Total commitments made	102	100
Market guarantees and counter-indemnities		
Securities, mortgages and real guarantees		
Agreements, deposits and guarantees received		
Other commitments received		
Total commitments received		

Commitments granted relate to long-term commitments for company cars (€102k).

27. Senior management pay

The remuneration paid to Mr. Olivier Novasque, Chairman and Chief Executive Officer, includes a fixed annual sum of €280,000 and a variable annual sum of €60,000 based on the achievement of Group performance targets. A provision for the variable portion has been set aside in the accounts at 30/06/2023.

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 30/06/2023 is €15k, including €15k at under one year.

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 30/06/2023 is €127K, including €101K at under one year.

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

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- 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 30/06/2023 is €5m, including €1,000K at under one year.
- 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 30/06/2023 is €1.5m, including €309K at under one year.

29. Additional price payment commitments

No additional price payments on acquisitions was recorded for the financial year 2023.