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Unaudited consolidated accounts at 30 June 2024 (unaudited)

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Financial statements

1. Consolidated balance sheet

Consolidated balance sheet - assets (in €)	Notes	Gross values	Amortization and depreciation	06.2024	12.2023
Uncalled share capital					
Acquisition goodwill	Note 1	29,014,026	-820,415	28,193,611	22,233,042
Company start-up		30,000	-30,000	0	0
Development costs		4,175,812	-3,664,316	511,496	486,667
Concessions, patents, licenses and similar rights		490,515	-448,447	42,068	59,407
Customer relations		3,000,000	-375,000	2,625,000	2,700,000
Intangible fixed assets	Note 2	36,710,353	-5,338,178	31,372,175	25,479,115
Constructions		26,543	-26,543	0	0
Facilities, buildings and equipment		751,413	-400,747	350,666	372,181
Other tangible fixed assets		4,401,132	-3,617,584	783,548	776,442
Tangible fixed assets	Note 2	5,179,087	-4,044,873	1,134,214	1,148,623
Shares		0	0	0	0
Receivables from equity interests		0	0	0	0
Loans		364,085		364,085	342,590
Deposits and guarantees deposited		611,417		611,417	573,081
Non-performing assets		320,147		320,147	185,047
Financial fixed assets	Note 3	1,295,649	0	1,295,649	1,100,719
Fixed assets		43,185,089	-9,383,051	33,802,038	27,728,456
Work in progress in stock					
Customer receivables and related accounts receivable		10,274,279	-1,348,564	8,925,716	8,509,038
Customer receivables and related accounts receivable	Note 4	10,274,279	-1,348,564	8,925,716	8,509,038
Other receivables and adjustment accounts	Note 5	5,552,020	0	5,552,020	3,517,127
Investment securities		17,444,893		17,444,893	19,949,849
Cash		6,525,981		6,525,981	3,840,928
Interest incurred not due - liabilities		67,712		67,712	161,035
Cash and other	Note 6	24,038,586	0	24,038,586	23,951,813
Prepaid expenses	Note 7	1,920,144		1,920,144	1,281,708
Current assets		41,785,030	-1,348,564	40,436,466	37,259,686
Total assets		84,970,119	-10,731,615	74,238,503	64,988,142

Consolidated balance sheet - liabilities (in €)	Notes	06.2024	12.2023
Capital		1,482,899	1,467,926
Capital bonuses		4,893,429	4,908,402
Consolidated reserves		31,614,587	25,634,736
Ownership of parent by subsidiary		-6,541,181	-6,640,919
Net income (group share)		3,588,871	5,626,400
Net investment subsidies			
Regulated provisions			
Total equity	Note 9	35,038,605	30,996,544
Minority interests		43,685	0
Minority interests		43,685	0
Conditional advances	Note 10	309,352	309,352
Other equity		309,352	309,352
Provisions for risk		749,097	558,146
Provisions for pensions and retirement		170,134	155,444
Provisions for risks and expenses	Note 11	919,231	713,590
Loans and other financial debts		9,046,352	10,216,471
Deposits and guarantees received		4,630	4,587
Interest incurred on loans		9,715	10,918
Bank credit facilities			40,304
Financial debts	Note 12	9,060,697	10,272,280
Advances and deposits received against orders		855,582	1,572,424
Suppliers and related accounts	Note 13	2,747,465	2,431,534
Tax and social security debts	Note 14	7,036,424	4,957,063
Other debts	Note 15	2,173,834	2,195,574
Other debts		11,957,723	9,584,171
Deferred income		16,053,628	11,539,780
Total liabilities		74,238,503	64,988,142

2. Consolidated profit and loss

Profit and loss statement (in €)	Notes	06.2024	06.2023
Turnover	<u>Note 17</u>	24,787,506	20,859,488
Capitalized production		110,000	180,000
Operational subsidies		5,500	117,236
Provision write-backs and transfer of operating expenses		159,000	480,627
Other revenue		1,013,587	1,383,587
Other operational revenue	<u>Note 18</u>	1,288,087	2,161,450
Operational revenue		26,075,593	23,020,937
Other purchases and external expenses		-6,262,732	-6,356,457
Outgoings		-6,262,732	-6,356,457
Taxes	<u>Note 19</u>	-184,842	-164,947
Staff salaries		-13,027,616	-11,440,312
Social charges		-3,576,511	-3,102,715
Other payroll costs		-17,000	-18,145
Payroll costs	<u>Note 20</u>	-16,621,127	-14,561,172
Provisions for depreciation & depreciation on intangible fixed assets		-217,535	-211,703
Provisions for depreciation & depreciation on tangible fixed assets		-291,264	-269,047
Allocation for provisions on operations		-139,000	
Allocation for provisions for retirement		-14,690	-9,293
Allocations for depreciation on current assets		-94,545	-275,008
Allocations for amortization, depreciation and provisions	<u>Note 21</u>	-757,033	-765,050
Other exceptional outgoings		-468	
Operating expenses		-23,826,203	-21,847,626
Operating income		2,249,390	1,173,311

	Notes	06.2024	06.2023
Operating income		2,249,390	1,173,311
Write-backs on provisions of a financial nature		7,813	
Exchange rate gains on financial operations		112,006	
Other financial income		348,467	192,161
Financial income		468,286	192,161
Interest charges		-23,158	-53,044
Losses on financial receivables and investment securities			-4,131
Exchange rate losses on financial operations		-41,984	-167,367
Other financial costs			
Allocation for provisions of a financial nature		-100,864	-4,181
Financial expenses		-166,006	-228,724
Profit	Note 22	302,280	-36,563
Current income of integrated companies		2,551,669	1,136,748
Exceptional income			
Proceeds from sale of intangible assets			
Exceptional income		0	0
Exceptional losses on management operations		-338	-223
Net book value of intangible assets sold			
Exceptional losses		-338	-223
Exceptional profit	Note 23	-338	-223
Research Tax Credit		1,359,443	1,326,773
Tax on profit		-381,460	-315,675
Deferred tax		59,557	4,176
Tax on profit	Note 25	1,037,540	1,015,273
Net income of integrated companies		3,588,871	2,151,799
Allocations for depreciation on acquisition goodwill			
Proportion of net income from company equity revaluation			
Consolidated net income		3,588,871	2,151,799
Minority interests			
Net income (group share)		3,588,871	2,151,799

3. Alternative performance indicator (Operating margin)

	06.2024	06.2023
Operating income	2,249,390	1,173,311
Research tax credit reclassified as operating income	1,359,443	1,326,773
Operating margin	3,608,833	2,500,084
Profit	302,280	-36,563
Exceptional profit	-338	-223
Tax on profit excluding research tax credit	-381,460	-315,675
Deferred tax	59,557	4,176
Tax on profit	-321,903	-311,500
Net income of integrated companies	3,588,871	2,151,799
Consolidated net income	3,588,871	2,151,799
Net income (group share)	3,588,871	2,151,799

4. Consolidated cash flow

Consolidated cash flow (in €k)	06.2024	12.2023
Net income of consolidated entities	3,589	5,626
Allocations/write-backs and provisions for depreciation	597	888
Variation in deferred tax	-60	-14
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	10	11
Cash flow from operations	4,136	6,511
Dividends received from equity revaluation		
Variation in working capital requirements (including provisions)	2,078	2,186
NET OPERATIONAL CASH FLOW (I)	6,214	8,697
Acquisitions of fixed assets	-688	-3,396
Sale of fixed assets		
Reduction of other financial fixed assets	2	657
Impact on variations in scope	-4,567	
Net variation in short-term investment		
Internal operations on fixed assets (balance sheet)		
NET INVESTMENT CASH FLOW (II)	-5,253	-2,738
Loan issues		
Loan repayments	-1,181	-1,737
Changes in investment subsidies		-425
Increases/reductions in capital		
Net sales / Acquisitions of treasury shares	304	-194
Net variation in credit facilities		-2
NET CASH FLOW GENERATED BY FINANCING OPERATIONS (III)	-877	-2,358
Exchange rate gains/losses (IV)	44	-19
EFFECT OF EXCHANGE RATE VARIANCE	44	-19
CASH FLOW VARIANCE (I + II + III + IV)	127	3,582
Initial cash reserves	23,912	20,330
Initial cash reserves	23,912	20,330
Final cash reserves	24,039	23,912

The cash amounts to €24,039k as on 30 June 2024, compared with €23,912 as on 31 December 2023. This change is notably explained by:

- The result for the year of €3,589k

- The negative change in working capital (+€2,078k) mainly due to a decrease of credit notes (-€825k), an increase in deferred income (+€3,581k), an increase in tax receivables (-€1,138k) and an increase in social security liabilities (+€1,015k).
- The decrease in cash due to the acquisition of fixed assets (-€688k) and shares of SHS AG (-€4,567k) corresponding to the acquisition cost of €6,001k - SHS AG cash of €1,434k).
- The decrease in cash due to repayments of various repayable loans and advances (-€1,181) mainly including the following repayments : €465k for the BNP loan, €655k for the BPI loans, and €51k for the Société Générale loan.

5. Presentation of the Group and significant events of the financial year

Strong turnover growth of +19%, including +18% for SaaS subscriptions

The turnover from SaaS Order-to-Cash subscriptions grew strongly in the first half of 2024, rising by 18%.

Sidetrade's overall turnover for the first half of 2024 reached **€24.8m**, an increase of **+19%**. This double-digit growth in all of Sidetrade's activities is due to:

- **Very strong revenue growth in the United States: +40%**

Quarter after quarter, the **United States** are proving to be a growth driver for Sidetrade, with revenues up **40%** to **€7.9m** for the first half of 2024. **International sales account for 60% of the company's total turnover**, with **32% coming from North America**. The United States will continue to play a key role in Sidetrade's future growth.

- **Constantly growing appeal to multinational companies**

An analysis of the Sidetrade clientele reveals **growth of 34% in subscriptions from multinational companies** with annual subscription contracts (ARR) in excess of €250,000. These subscriptions now represent **47% of Sidetrade's total subscriptions** and should continue to be a significant growth driver in the coming quarters.

- **Integration of CreditPoint Software activities**

The integration of CreditPoint Software's activities, effective from 1st July 2023, contributed positively to Sidetrade's performance. Indeed, the activities of CreditPoint Software generated a turnover of **€0.8M** in the first half of 2024, representing an impact of 4% on half-yearly growth.

It is recalled that **all Sidetrade multi-year contracts are systematically indexed to inflation** (Syntec for Southern Europe, UK CPI for Northern Europe, and US CPI for the United States). This measure ensures that price changes are passed on to SaaS subscribers each year, without waiting for contracts to come up for renewal.

Strong growth in operating margin, with record profitability at 15%

Gross margin up 18% to 80% of the turnover

The **gross margin rate** is **80% of H1 turnover** (versus 81% in 2023) and **92%** (versus 93% in H1 2023) **for SaaS subscriptions alone**. In this first half of the year, Sidetrade recorded an **incremental increase of €3.0m** in its gross margin compared with H1 2023.

This excellent performance was driven by : the contribution of **SaaS subscriptions**, which account for **95% of the company's overall gross margin**, a sales policy that capitalizes on the company's technological lead in artificial intelligence, and tight cost control, achieved despite an inflationary environment

Operating margin up sharply to 15% of the turnover

The **operating margin** is equal to **€3.6m in 2023**, an increase of **44%** compared with the first half of 2023 (€2.5m). This unprecedented level of profitability is based on a combination of vigorous business growth, an excellent gross margin and effective cost control.

This significant increase has also supported Sidetrade's investment policy (**€1.9m** vs H1 2023).

In this respect, Sidetrade made significant R&D investments in the first half of 2024 (€1.3m). The H1 general and administrative expenses (G&A) include exceptional costs of €0.5m for lawyers and service providers in connection with the acquisition of SHS Viveon AG. Despite these investments and exceptional costs, the company has been able to significantly increase its profitability by optimizing and increasing productivity in other areas of expenditure.

The operating income for H1 2024 includes a **research tax credit** of **€1.4m** (compared with €1.3m in H1 23) and a very marginal activation of R&D costs at €0.1m, i.e. **2% of R&D costs** for the half-year.

As a result, the **operating margin rose to 15%** from 12% in H1 2023, a **gain of 3 points in one year**.

Sharp rise in net income to €3.6m from €2.2m in H1 2023 (+64%)

The H1 2024 **financial result** was **€0.3M**, a strong increase compared to H1 2023 (-0.03), largely due to the interest on short-term investments and foreign exchange gains generated during the half-year.

With regard to corporate tax, the expense is estimated at **€0.3M** in H1 2024 (compared to €0.3M in H1 2023).

All in all, Sidetrade's net income for H1 2024 was **€3.6m**, up 64%, enabling it to reach a new break-even point and demonstrating more than ever the balance between growth and profitability.

A stronger financial position despite the acquisition of SHS Viveon.

In the first half of 2024, the company generated a very strong operating cash flow increase of €6.2m compared with 31/12/2023.

At 30 June 2024, Sidetrade had **gross cash of €24.0m**, the same level as at the end of December 2023, despite the acquisition of SHS for a net amount of €4.6m (€6m acquisition of shares offset by €1.4m of cash available at SHS Viveon).

In parallel, Sidetrade also holds **85,600 equity shares, valued at €15.2m as on 30 June 2024**.

With financial debt standing at €9.1m (down €1.2m), **Sidetrade has maintained, over and above the SHS Viveon acquisition, an intact acquisition capacity enabling it to accelerate its expansion**.

Sidetrade becomes the majority shareholder of SHS Viveon AG

On 6 May 2024, Sidetrade announced a takeover bid for SHS Viveon AG, a German leader in credit risk management software. With the approval of the Munich Stock Exchange for the delisting of SHS Viveon AG, **Sidetrade has extended its public offer until 29 July 2024**.

Sidetrade is currently the majority shareholder in SHS Viveon AG with 88.01% of the capital.

The activities of SHS Viveon AG will be consolidated from 1 July 2024.

6. Events subsequent to the close of the financial year

N/A

7. Consolidation methods and principles

General principles

The Group consolidated accounts were established in accordance with French accounting principles laid down by law n°85.11 of 3 January 1985 and its implementing decree n°86.221 of 17 February 1986, and CRC regulation n°99-02 of 22 June 1999, as amended by ANC regulation 2020-01 of 29 December 2020.

The financial year ending 31/12/2024 covered a period of 12 months, like that ending on 31/12/2023.

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.

Definition of the scope of consolidation

Scope of consolidation

Consolidated company	Business registration n°	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 USA	United States
Sidetrade INC	7791780	2002 Timberloch Place Suite 200 The Woodlands Texas 77380 USA	United States
SHS Viveon AG	HRB 118229	Clarita-Bernhard-Straße 27 · 81249 Munich	Germany
SHS Viveon Switzerland Ltd	CHE-109.408.922	Neuhofstrasse 5A, 6340 Baar	Switzerland

Ownership and consolidation method

Company	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
SHS Viveon AG	Proportional consolidation	81.11	81.11	06/06/2024
SHS Viveon Switzerland Ltd	Proportional consolidation	81.11	81.11	06/06/2024

At 30/06/2024, the scope includes 10 companies, including two companies newly consolidated in June 2024.

Changes in the scope of consolidation

Consolidated companies include two new companies named SHS Viveon AG and SHS Viveon Switzerland Ltd, acquired in June 2024. Only the SHS balance sheet has been consolidated as at 30 June 2024. The income statement will be effectively integrated within the Sidetrade accounts as from 1 July 2024.

Accounting rules and methods

The accounts were approved by the Management Board on 21 March 2024. 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 Augmented Cash software, improving existing versions, quality control and testing, and depreciation of related development assets.

Customer relations

A customer relationship was identified following an exercise to allocate the acquisition price of Amalto in accordance with ANC regulation 2020-01. 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 versions 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 amortized over three years which corresponds to the useful life of each version of the software.

Software

Purchased software is amortized 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 capitalized 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.)

A so-called "statistical" provision is recorded on receivables due at more than 180 days at Sidetrade SA.

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 recognizing turnover and associated costs depends on the type of contracts entered into with customers.

Provision of services

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

Sidetrade Augmented Cash Software

The company markets its Sidetrade Augmented Cash 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.

Operational subsidies

Since the publication of Regulation 2020-01 on 9 October 2020, the income resulting from the research tax credit system, previously included in operating subsidies, must be presented as a decrease in the tax on profit in the consolidated profit and loss.

Provisions for risks and expenses

A provision is recorded when a Company 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

A provision for retirement and the related deferred tax are recorded in the consolidated accounts. This amount is based on an actuarial calculation on the employee population with the assumptions of staff turnover rates decreasing according to age. The applicable collective agreement is the Syntec agreement.

Deferred tax

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

Deferred tax assets are recorded based on differences in deductibility over time, tax losses and deficits carried over. A deferred tax asset on deficits carried forward is recorded when it is probable that the relevant tax entity can recover them through a forecast taxable profit.

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

At the end of June 2024, the applied tax rate 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. As at 30 June 2024, a rate difference of €225k was recognized in equity.

The conversion rates applied are:

Currency	Opening rate	Average rate	Closing rate
GBP	0.8691	0.8545	0.8464
USD	1.1050	1.0812	1.0705
CAD	1.4642	1.4685	1.4670
CHF	0.9634	0.9634	0.9634

Notes to the balance sheet statement

Note 1. Breakdown of acquisition goodwill

Data in €k	Initial	Increase	Decrease	Final
Acquisition goodwill	23,053	5,961		29,014
Depreciation on acquisition goodwill	-820			-820
Net value	17,102	5,961	0	28,194

The increase in acquisition goodwill corresponds to the acquisition goodwill of SHS AG for an amount of €5,789k and the payment of an earn-out following the purchase of assets of CreditPoint for an amount of €172k. Following the acquisition of SHS AG in June 2024, goodwill at 30 June 2024 was €5,789k. Analysis of the latter is currently underway.

As at 30/06/2024, acquisition goodwill amounts to €29,014k, of which €820k was depreciable and fully amortized.

Note 2. Intangible and tangible fixed assets

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

in €k	Initial	Increase	Decrease	Final
Acquisition goodwill	23,053	5,961		29,014
Development costs	4,031	145		4,176
Concessions, patents, licenses and similar rights	485	6		491
Company start-up	30			30
Goodwill	3,000			3,000
Intangible fixed assets	30,599	6,111		36,710
Constructions	27			27
Facilities, buildings and equipment	667	84		751
Other tangible fixed assets	4,202	199		4,401
Tangible fixed assets	4,895	284		5,179
Tangible and intangible fixed assets	35,494	6,395		41,889

The increase in development costs (+€145k) is mainly due to activations of Sidetrade SA R&D costs carried out during the financial year (€+110k).

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

The increase in tangible fixed assets during the 2024 financial year relates primarily to the acquisition of computing equipment and R&D infrastructure.

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

in €k	Initial	Allocation	Other variance	Final
Amort. on acquisition goodwill	(820)			(820)
Amort. on dev. costs	(3,544)	(120)		(3,664)
Amort. on concessions, patents and similar rights	(425)	(23)		(448)
Amort. on company start-up expenses	(30)			(30)
Depreciation of goodwill	(300)	(75)		(375)
Intangible fixed assets	(5,120)	(218)		(5,338)
Depreciation on constructions	(27)			(27)
Depreciation on facilities, buildings and equipment	(295)	(106)		(401)
Depreciation on other tangible fixed assets	(3,425)	(192)		(3,618)
Tangible fixed assets	(3,747)	(298)		(4,045)
Tangible and intangible fixed assets	(8,867)	(516)		(9,383)
Net value	26,627	5,879		32,506

Note 3. Financial fixed assets

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

in €k	Initial	Increase	Decrease	Final
Shares				
Receivables from equity interests				
Loans	342	22		364
Deposits and guarantees deposited	574	37		611
Non-performing assets	185	135		320
Financial fixed assets	1,101	194		1,296
Equity method securities				
Financial assets	1,101	194		1,296

Loans and deposits mainly include:

- construction projects (€364k)
- rent deposit for the Boulogne head office (€171k)
- surety on BPI loans (€342k)

The remaining cash on the available funds account is recorded as non-performing assets amounting to €320k.

Note 4. Customer receivables and related accounts receivable

Customer receivables are broken down as follows:

in €k	06.2024	12.2023
Customer receivables	8,204	8,298
Bad debts	1,171	1,013
Invoices to raise	900	360
Gross value	10,274	9,671
Provisions	(1,349)	(1,162)
Net value	8,926	8,509

Provisions for depreciation of customer receivables (€1,349k as at 30 June 2024) vary as follows:

in €k	Initial	Increase	Decrease	Final
Provisions for depreciation	(1,162)	(186)		(1,349)
Provisions for depreciation	(1,162)	(186)		(1,349)

Allocations for provisions for depreciation on doubtful debts are recorded in the "Provisions for liabilities on current assets" account (€186k).

All other customer receivables are due within one year.

Note 5. Other receivables

Other receivables are broken down as follows:

in €k	06.2024	12.2023
Suppliers, advances		12
Staff debts	7	
State, Tax on profit	3,708	2,507
Fiscal receivables excluding tax on profit	1,317	713
Deferred tax - assets	418	240
Other debtors	101	45
Other receivables	5,552	3,517

As at 30 June 2024, the "Tax on Profit" account primarily includes research tax credits for the 2023 financial year (€2.4M).

The "fiscal receivables excluding tax on profit" account mainly includes VAT receivables.

Deferred tax assets include the activation of deficits carried over for €201k and retirement commitments for €42k.

Note 6. Net cash

in €k	06.2024	12.2023
Investment securities	17,445	19,950
Cash	6,526	3,841
Interest incurred not due - liabilities	68	161
Working cash	24,039	23,952
Credit facilities (debts)		40
Cash liabilities		40
Net cash	24,039	23,912

Note 7. Prepaid expenses

Prepaid expenses are broken down as follows:

in €k	06.2024	12.2023
Prepaid expenses - Rent	374	367
Prepaid expenses - Other	1,546	915
Prepaid expenses	1,920	1,282

The "Other" account mainly includes software rentals amounting to €763k for Sidetrade SA as at 30 June 2024.

Note 8. Deferred tax assets

in €k	06.2024	12.2023
Tax deficits	201	201
Retirement commitments	43	39
Non-deductible expenses	5	
Revaluation difference	170	
Deferred tax assets	418	240

Note 9. Variance in consolidated equity

Data in €k	Capital	Capital bonuses	Reserves	Treasury shares	Group conversion reserves	Net income (group share)	Equity (group share)
As at 31/12/2023	1,468	4,908	25,720	(6,641)	(86)	5,626	30,997
Consolidation							
Allocation of net income for N-1			5,626			(5,626)	
Distribution/gross payment							
Cash and subscribed capital variation	15	(15)					
Net income						3,589	3,589
Other increases/decreases							
Restatements on treasury shares			153	100			253
Currency conversion/exchange rate difference					225		225
Other			(25)				(25)
As at 30/06/2024	1,483	4,893	31,475	(6,541)	139	3,589	35,039

The amount of the cancellation of 85,663 treasury shares held at 30 June 2024 in the scope of a liquidity and own-share holding contract amounting to €6,541k.

Composition of the share capital

At 30 June 2024, equity is composed of 1,482,899 shares with a nominal value of €1 each, i.e., share capital of €1,482,899. The variance from 2023, to the sum of 14,973 euros, results from the increase in equity due to the issue of 14,973 vested free shares.

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 meetings on 28 March 2023 and 21 March 2024 drew up a list of 57 individuals who could benefit from the bonus share allocation plan (BSAP) representing a total of 27,897 shares, i.e., a maximum dilution of 1.9%.

For each beneficiary, the acquisition period referred to in article L. 225-197-1 I paragraph 6 of the French Commercial Code is two years. At the end of the vesting period, each beneficiary will benefit from a final allocation of the allocated shares, subject to satisfaction, at the end of the vesting period, of the beneficiary's effective presence within the Company.

As at 30.06.2024	BSAP
Date of the General Meeting	17/06/2021
Date of the Management Board meeting	21/03/2024
Number of shares authorized	43,000
Number of shares allocated	42,870
Number of void allocations	0
Number of shares issued	14,973
Total number of shares which can be issued	
Total number of shares	27,897
- Of whom corporate officers	2006
Number of individuals concerned	57
- Of whom corporate officers	1

Share buyback scheme and liquidity contract

Under liquidity and buyback contracts granted to the brokerage firm ODDO BHF by Sidetrade Group, the following resources were recorded in the liquidity contract as at 30 June 2024:

in €k	06.2024	12.2023
Number of shares	85,663	86,697
Valuation	6,541	6,641
Balance on the available funds account	320	185

Note 10. Conditional advances

in €k	Initial	Increase	Decrease	Final
Conditional advances	309			309
Total conditional advances	309			309

Conditional advances correspond to the following aids:

- 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 €309K as at 30 June 2024.

Note 11. Provisions for risks and expenses

in €k	Initial	Increase	Decrease	Final
Provisions for risk	549	257	159	647
Provisions for pensions and retirement	155	15		170
Other provisions	8	93		101
Provisions for risks and expenses	714	365	159	919

Provisions for risk as at 30 June 2024 correspond primarily to Employment Tribunal disputes (€323k) and a provision for employee contributions (€207k).

Other provisions at 30 June 2024 correspond to provisions for exchange rate losses (€101k).

Commitments for retirement benefits are valued in accordance with ANC Recommendation 2013-02. The applied discount rate is 3.6% and the applied salary increase used is 5.3%. The amount at 30 June 2024 is €170k.

This amount is based on an actuarial calculation on the employee population with the assumptions of staff turnover rates decreasing according to age. The average age of Sidetrade employees as at 30 June 2024 is 40.3. The retirement age is 65 years. Average length of service at 30 June 2024 is 6.4 years.

Note 12. Financial debts

Financial debts are broken down as follows:

in €k	Initial	Increase	Decrease	Final
Interest incurred on loans	11	10	11	10
Loans from credit institutions	10,216		1,170	9,046
Deposits and guarantees received	5			5
Financial debts	10,232	10	1,181	9,061

Sidetrade has also taken out three loans totaling €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, with the last repayment set for 29 April 2028. The balance due as at 30 June 2024 is €3.9M, including €934k at under one year and the remainder at under five years. Interest expenses for the financial year amount to €69k, fully repaid thanks to the interest rate hedge.
- 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 July 2023 and the last on 30 April 2028. The balance due as at 30 June 2024 is €4M, including €1M at under one year and the remainder at under five years. Interest expenses for the financial year amounts to €23k.
- BPI loan for the sum 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 July 2023 and the last on 30 April 2028. The balance due as at 30 June 2024 is €1.2M, including €309k at under one year and the remainder at under five years. Interest expenses for the financial year amounts to €7k.

Sidetrade holds a loan previously accounted for at Amalto SA. This loan of an initial sum of €500k was granted by the bank Société Générale. The balance due as at 30 June 2024 is €26k, including €26k at under one year. Interest expenses for the financial year amounts to €0.3k.

Note 13. Supplier debts

Supplier debts are broken down as follows:

in €k	06.2024	12.2023
Suppliers	1,493	1,321
Invoices not received	1,255	1,111
Supplier debts	2,747	2,431

All supplier debts are due within one year.

Note 14. Tax and social security debts

Tax and social security debts are broken down as follows:

in €k	06.2024	12.2023
Paid leave	1,420	990
Provisions for bonuses	1,220	599
Social charges	2,307	1,696
VAT to pay out	100	165
State - other outgoings	1,541	1,101
Other	15	8
State - tax on profit	433	398
Tax and social security debts	7,036	4,957

All other debts are due within one year.

Note 15. Other debts

Other debts are broken down as follows:

in €k	06.2024	12.2023
Other debts	2,174	2,196
Other debts	2,174	2,196

The other debts mainly consist of provisions for earn-outs following the acquisition of Amalto SA (€370k) and of CreditPoint Software (€1,730k).

Note 16. Outgoings to pay

Outgoings to pay are broken down as follows:

in €k	06.2024	12.2023
PPA Credit notes to be issued	407	884
NPF Unbilled payables	1,255	1,111
Tax and social security debts	3,422	2,250
Paid leave	1,420	990
Provisions for bonuses	1,220	599
Employee contributions	662	492
Expense accounts	23	29
Tax on salaries	86	102
Various	10	37
Outgoings to pay	5,083	4,244

Notes to the profit and loss statement

Note 17. Turnover

As on 30 June 2024, the Group achieved a total turnover of €24,788k, an increase of 19% compared to 2023. The turnover in the financial year is broken down by service lines as follows:

in €k	OTC Platform subscriptions	Services	Total
06.2024	20,521	4,267	24,788
06.2023	17,714	3,145	20,859
Growth	16%	36%	19%

Note 18. Other operational revenue

in €k	06.2024	06.2023
Capitalized production	110	180
Operational subsidies	5	117
Provision write-backs and transfer of operating expenses	159	481
Other revenue	1,014	1,384
Other operational revenue	1,288	2,161

Provision write-backs relate to provisions for Employment Tribunal risks (€159k).

The "Other income" account mainly corresponds to invoicing of electronic mail sending services (€964k).

Note 19. Taxes and duties

in €k	06.2024	06.2023
Tax on salaries	(100)	(88)
Other tax and duties	(85)	(77)
Taxes	(185)	(165)

Tax and duties mainly include the CVAE for €31k, the CFE for €21k and tax on salaries for €100k.

Note 20. Payroll costs

in €k	06.2024	06.2023
Staff salaries	(13,028)	(11,440)
Social security and disability insurance expenses	(3,577)	(3,103)
Other payroll costs	(17)	(18)
Payroll costs	(16,621)	(14,561)

Payroll costs amounted to €16,621k at 30 June 2024.

No allocation to the employee profit-sharing reserve was made in the 2024 financial year.

Note 21. Allocations for amortization, depreciation and provisions

in €k	06.2024	06.2023
Provisions for depreciation & depreciation on intangible fixed assets	(218)	(212)
Provisions for depreciation & depreciation on tangible fixed assets	(291)	(269)
Allocation for provisions on operations	(139)	
Allocation for provisions for retirement	(15)	(9)
Allocations for depreciation on current assets	(95)	(275)
Operational allocations	(757)	(765)

Allocations for intangible fixed assets mainly include development costs (€143k) and customer relations (€75k).

Allocations for tangible fixed assets mainly include computing equipment and R&D infrastructure at Sidetrade SA (€291k).

Allocations for depreciation relate to provisions for employee litigation.

Allocations for depreciation of current assets relate mainly to provisions for depreciation of customer receivables.

Note 22. Financial result

in €k	06.2024	06.2023
Write-backs on depreciation for financial assets	8	
Exchange rate gains on financial operations	112	
Other financial income	348	192
Financial income	468	192
Interest charges	(23)	(53)
Losses on financial receivables and investment securities		(4)
Exchange rate losses	(42)	(167)
Other financial costs		
Allocations for depreciation on financial assets	(101)	(4)
Financial expenses	(166)	(229)
Profit	302	(37)

The financial result stands out with a profit balance of €302K.

Financial income mainly includes interest on DAT and CAT of €348k and foreign exchange gains of €112k.

Financial expenses include interest on borrowings of €23k, a foreign exchange loss of €42k and provisions for foreign exchange losses of €101k.

Note 23. Exceptional result

in €k	06.2024	06.2023
Exceptional expenses from previous financial years		
Provision write-backs		
Exceptional income on management operations		
Exceptional income	-	-
Penalties		
Exceptional expenses from previous financial years		
Losses on receivables		
Staff redundancy costs		
Allocations for amortization and depreciation		
Exceptional losses on management operations		
Exceptional losses	-	-
Exceptional profit	-	-

The exceptional profit was zero at 30/06/2024.

Note 24. Research and development costs

Total research and development costs for the financial year amount to €5,497k and mainly include salaries (including social security contributions) and external outsourcing costs.

As on 30/06/2024, Sidetrade activated €110k in development costs for the 2024 financial year.

Note 25. Tax on profit

in €k	06.2024	06.2023
Research Tax Credit	1,359	1,327
Tax on profit	(381)	(316)
Deferred tax	60	4
Tax on profit	1,038	1,015

Other information

Note 26. Headcount

The headcount as at 30 June 2024 is 398 employees, including 129 employees in France and 59 SHS employees.

The headcount is broken down as follows:

- 272 men and 126 women
- 386 permanent contracts, 8 fixed-term contracts and 4 trainees
- 118 management level staff, 7 employees and supervisors, 4 trainees and 269 other staff (foreign subsidiaries)

The average headcount over the financial year was 387 employees.

Note 27. Off-balance sheet commitments

in euros	06.2024	06.2023
Market guarantees and counter-indemnities	-	-
Securities, mortgages and real guarantees	6,545	6,545
Agreements, deposits and guarantees agreed	129	102
Other commitments made	-	-
Total commitments made	6,674	6,671
Market guarantees and counter-indemnities	-	-
Securities, mortgages and real guarantees	-	-
Agreements, deposits and guarantees received	-	-
Other commitments received	-	-
Total commitments received	0	0

The commitments given relate to company vehicles leased or long-term leased by directors and certain executives, amounting to €129k as at 30/06/2024, and a pledge of €6,545k on shares given when the BNP loan of €6.5M was taken out.

Note 28. Senior management pay

In the first half of 2024, Olivier NOVASQUE received fixed gross remuneration of €145,000, benefits in kind of €2,023 and a variable share of €44,500, linked to quantitative criteria. Half of these targets depended on the group's turnover, and the other half on its EBIT.

He did not receive any share subscription or purchase options or performance shares that year. In addition, no remuneration related to his role as a director was paid to him or for any other position in a company related to the company within the meaning of article L. 233-16 of the French Commercial Code. Olivier was entitled to a company car as a benefit in kind. As a corporate officer, he is not eligible for the company's pension or provident plan, but he benefits from the same health coverage plan - to which he contributes - as other Sidetrade employees in France.

Note 29. Bank loan commitments

- A guarantee of €78k was given when the €1.5M BPI loan was taken out in May 2021.
- A guarantee of €250k was given when the €5M BPI loan was taken out in May 2021.
- A pledge of securities of €6,545k was given when the €6.5M BNP loan was taken out. Sidetrade SA also guaranteed to the Borrower the "Consolidated Net Financial Debts / Consolidated EBITDA" ratio of less than 2.5 for the entire term of the Loan. This ratio is well respected.

Note 30. Earn-out payment commitments

Earn-outs for the acquisition of Amalto SA and CreditPoint Software are likely to be paid based on the future turnover. An earn-out following the acquisition of Amalto in the amount of €370k and an earn-out following the purchase of CreditPoint assets in the amount of €1,730k corresponding to the management's estimate were provisioned as at 31 December 2023. Payments will occur in Q1 2025 for Amalto and Q1 2026 for CreditPoint.