2023

Half-year report

Contents

Statement by the Chairman

I hereby declare that to the best of my knowledge, the financial statements for the six months ended 30 June 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and that the half-year Management Report appended hereto gives a fair description of the material events that occurred during the first six months of the financial year and their impact on the financial statements, and of the major related-party transactions, together with a description of the main risks and uncertainties for the remaining six months of the financial year.

26 July 2023

Jean-Louis Bouchard, representative of Econocom International BV

Chairman of Econocom

01

Management Report

1. Group's position and highlights

Econocom Group generated revenue of €1,337 million for the first half of 2023, up 3.9% compared to the same period in 2022, but down slightly, 0.4%, in organic terms. The Operating Margin amounted to €44.2 million, down from €60.0 million a year earlier. In addition to this, the Net Financial Debt at the end of June 2023 amounted to €321 million compared to €272 million at the end of June 2022.

1.1. A solid first half against a less favourable economic background

Econocom Group generated revenue of €1,337 million in the first half of 2023, up 3.9% compared to the same period of 2022, with all lines of business contributing to this growth. On an organic basis, revenue was down slightly, by 0.4%, due to a reduction in the P&S activity. In an adverse economic environment, the Group is therefore seeing the benefits of its acquisition strategy and taking full advantage of the contribution of the companies acquired during the previous financial year.

Over the period, continuing operations developed as follows:

- Products & Solutions (P&S) revenue amounted to €585 million, up 5.5%. P&S benefited from the successful integration of SEMIC and LYDIS in Spain and the Netherlands respectively. However, business posted an organic decrease of 2.8%, after strong growth in the first half of 2022 due notably to a gradual return to normal of the orders backlog and a first half of 2023 impacted by a market decline (over 10%) and increases in the prices of digital assets. As a result, the Operating Margin amounted to €15.9 million, i.e. 2.7% of revenue.
- Technology Management & Financing (TMF) posted revenue of €498 million, up 2.8%, including an organic growth of +0.9%. As anticipated at the time of the publication of 2023 first quarter revenue, growth slowed in the second quarter, marked by a reduction in business contributing significantly to revenue and margin compared to the first half of 2022. However, the commercial outlook for the coming months means we can expect a return to more sustained growth in the second half, thanks to good momentum in a number of regions. The Operating Margin stood at €17.3 million, representing a profitability rate of 3.5%.
- After a first quarter where it was down slightly, revenue from the Services activity at the end of June was up by 2.6%, in purely organic terms, to €254 million. On the other hand, the Operating Margin suffered from the increase in personnel costs in the digital industry in 2023, still only partially passed on, as well as the start of new contracts. The Operating Margin thus stood at €11.0 million, i.e. a profitability rate of 4.3%. A better pass-through of cost increases should enable the Services activity to return to a higher margin in the second half.

In total, the Group's Operating Margin amounted to €44.2 million with an operating profitability rate of 3.3%. This is down by 1.4 points compared to the first half of 2022 due to the various cyclical effects mentioned above (base effect, increase in costs still partially passed on and new contracts).

On the other hand, there was a marked reduction in other operating expenses, which totalled -€4.7 million in the period, *i.e.* more than half of the amount recorded for the same period in 2022.

Financial result amounted to -€9.7 million, primarily driven by an increase in interest rates of €3.5m. After a tax expense of -€8.4 million and profit (loss) from discontinued operations of €4.6 million following the disposal of a P&S activity classified as continuing operations in 2022, consolidated net income amounted to €24.7 million.

1.2. Slight increase in Net Financial Debt

Net Financial Debt amounted to €321 million at 30 June 2023 compared to €272 million a year earlier. The increase was mainly due to the acquisition of treasury shares, the refund of issue premiums and disbursements relating to acquisitions for a total amount of just over €60 million. The normalised free cash flow for the period was €64 million (excluding a one-off effect in the amount of €53 million at the end of June 2022).

Operating Debt, *i.e.* Net Financial Debt less expected future inflows from self-funded TMF leases (€285 million) increased in the same way to €36 million compared to a €10 million surplus a year earlier.

1.3. Progress of the strategic plan

The Group begun the development of its 2024-2028 Strategic Plan with a goal of generating €5 billion in revenue by the end of the plan, with a first stage of €4 billion by 2026.

This work aims to prepare the future of the Econocom Group and its business lines by best responding to changes in our markets, the new expectations of our customers and future changes in the economic environment. To do so, more than twenty customers were interviewed and some fifty Group managers were involved in its development as part of a co-construction approach, in order to anchor this action plan as closely as possible to the Group's operational reality.

This work will take place until the third quarter of 2023, and the results will be presented to the investors in November 2023.

1.4. Changes in governance and shareholding

At the Ordinary General Meeting of 31 March 2023, on the proposal of the Board of Directors, Mr Angel Benguigui was appointed as a new Director of Econocom Group. In view of his day-to-day management powers, he is now Managing Director in charge of day-to-day management.

The Extraordinary General Meeting of 22 June 2023 approved the cancellation of 43,884,081 treasury shares held by Econocom Group SE. As of the date of this document, Econocom Group's share capital therefore amounted to €23,731,026.74, represented by 179 045 899 shares. Econocom Group holds 900,000 Econocom Group shares, *i.e.* 0.5% of the Company's shares.

2. Half-year results

2.1. Key figures (unaudited)

Income statement

in € millions	First half of 2023	First half of 2022 restated*
Revenue from continuing operations	**1,337.2**	**1,286.7**
Products & Solutions	584.8	554.2
Services	254.1	247.7
Technology Management & Financing	498.3	484.8
Operating margin	**44.2**	**60.0**
Amortisation of intangible assets from acquisitions	(1.2)	(1.0)
Other operating income	0.1	2.4
Other operating expenses	(4.8)	(12.6)
Operating profit	**38.3**	**48.8**
Other financial income	0.8	0.3
Other financial expenses	(10.5)	(6.5)
Profit before tax	**28.6**	**42.6**
Income tax	(8.4)	(6.6)
Net income (loss) from equity accounted companies	-	-
Profit (loss) from discontinued operations	4.6	(2.2)
Consolidated profit (loss)	**24.7**	**33.8**
Net profit (loss) attributable to non-controlling interests	(1.1)	1.3
Profit for the period attributable to owners of the parent	**25.9**	**32.5**

Earnings per share

in €	First half of 2023	First half of 2022 restated*
Basic earnings per share	0.139	0.186
Basic earnings per share from continuing operations	0.113	0.198
Basic earnings per share from discontinued operations per share	0.026	(0.012)
Adjusted earnings per share	0.138	0.247
Diluted earnings per share	0.140	0.181
Diluted earnings per share from continuing operations	0.114	0.193
Diluted earnings per share from discontinued operations	0.025	(0.011)
Adjusted diluted earnings per share	0.139	0.238

2.1.1. RECONCILIATION OF REPORTED PROFIT WITH ADJUSTED PROFIT

in € millions	First half of 2023 reported	Amortisation of intangible assets from acquisitions	Other operating income and expenses	Discontinued operations	First half of 2023 adjusted	First half of 2022 restated*
Revenue from continuing operations	**1,337.2**	**-**	**-**	**-**	**1,337.2**	**1,286.7**
Operating margin	**44.2**	**-**	**-**	**-**	**44.2**	**60.0**
Amortisation of intangible assets from acquisitions	(1.2)	1.2	-	-	-	-
Other operating income and expenses	(4.7)	-	4.7	-	-	-
Operating profit	**38.3**	**1.2**	**4.7**	**-**	**44.2**	**60.0**
Other financial income and expenses	(9.7)	-	-	-	(9.7)	(6.0)
Profit before tax	**28.6**	**1.2**	**4.7**	**-**	**34.5**	**54.0**
Income tax	(8.4)	(0.3)	(1.2)	-	(9.9)	(9.2)
Share of profit (loss) of associates and joint ventures	-	-	-	-	-	-
Profit (loss) from discontinued operations	4.6	-	-	(4.6)	-	-
Consolidated profit (loss)	**24.7**	**0.9**	**3.5**	**(4.6)**	**24.6**	**44.8**
Net profit (loss) attributable to non-controlling interests	(1.1)	-	-	-	(1.1)	1.3
Profit for the period attributable to owners of the parent	**25.9**	**0.9**	**3.5**	**(4.6)**	**25.7**	**43.5**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

2.1.2. BALANCE SHEET AND FINANCIAL STRUCTURE

The balance sheet below expresses this more concisely:

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

in € millions	**30 June 2023**	**31 December 2022**
ASSETS		
Goodwill	555.9	554.2
Other non-current assets	210.3	212.4
Residual interest in leased assets	168.0	164.6
Trade and other receivables	854.0	878.9
of which outstanding on self-funded contracts	*285.2*	*283.7*
Other current assets	179.4	180.7
Assets held for sale	53.4	106.4
TOTAL ASSETS	**2,021.1**	**2,097.1**

in € millions	**30 June 2023**	**31 December 2022**
LIABILITIES		
Equity	452.0	456.8
Net financial debt	321.3	143.5
Gross commitments on residual financial assets	106.8	102.8
Other financial liabilities	56.5	61.2
Other non-current liabilities	111.3	109.0
Trade payables	752.5	932.1
Other current liabilities	208.2	235.3
Liabilities held for sale	12.4	56.5
TOTAL EQUITY AND LIABILITIES	**2,021.1**	**2,097.1**

Operating Debt, *i.e.* Net Financial Debt less expected future inflows from self-funded TMF leases (€285 million) amounted to €36.1 million.

2.2. Overview of the activity during the half-year

During the first half of 2023, the Econocom Group generated revenue of €1,337 million, representing total growth of 3.9% compared with the same period in 2022. This growth is driven by the Group's three business lines and benefits from the contributions of the acquisitions made in 2022 (Econocom Factory, Semic and Lydis). On an organic basis, business was down slightly, by 0.4%, in an adverse economic environment, in particular for the P&S activity, which faced a market decline of more than 10%. The change in business in the second quarter of 2023 was also impacted by a strong base effect of the second quarter of 2022. Over this period, the Group recorded a few large TMF contracts that contributed significantly to revenue. In addition, the P&S activity recorded strong growth over this period due notably to the return to normal of its backlog. The commercial outlook and the pipeline, notably for TMF, allow us to target more sustained growth in the second half of the year.

The Group's Operating Margin was €44.2 million while operating profitability was 3.3%, down by 1.4 points compared to the first half of 2022. This was notably impacted by increases in the costs of digital assets and personnel not fully passed on to the end-user. In addition, the start of new business at TMF and Services is currently weighing on their profitability.

On the other hand, other operating income and expenses amounted to -€4.7 million, a decrease of €5.7 million due to a sharp fall in restructuring costs. As a result, operating profit amounted to €38.3 million compared to €48.8 million a year earlier.

Financial income amounted to -€9.7 million compared to -€6.2 million at 30 June 2022, with most of this change (€3.5 million in total) stemming from the increase in interest rates, while average debt only increased slightly, mainly due to M&A and shareholder return.

The tax expense amounted to -€8.4 million, higher than it was in the first half 2022 due to the non-renewal of non-taxable profits on corporation tax recognised last year. For its part, half-year net income from discontinued operations was positive, in the amount of €4.6 million, following the disposal in early 2023 of a P&S activity classified as discontinued operations in 2022. As a result, consolidated net income amounted to €24.7 million.

Equity at 30 June 2022 amounted to €452.0 million compared to €456.8 million at the end of December 2022, down mainly due to the refund of issue premiums in the amount of €28.5 million, largely offset by net half-year net profit (loss) of €24.7 million.

Net Financial Debt as at 30 June 2023 amounted to €321.3 million, broken down as follows:

in € millions	**30 June 2023**	**30 June 2022 reported**	**31 December 2022**
Cash and cash equivalents	132.9	308.1	**402.4**
Bank debt and commercial paper	(47.3)	(69.9)	**(54.2)**
Net cash at bank	**85.6**	**238.2**	**348.2**
Convertible bond debt (OCEANE)	-	(149.4)	**(151.2)**
Non-convertible bond debt (Schuldschein)	(209.0)	(208.1)	**(208.9)**
Contracts and receivables refinanced with recourse and other debt	(198.0)	(152.7)	**(131.6)**
Gross financial debt	**(407.0)**	**(510.2)**	**(491.7)**
Net financial debt	**(321.3)**	**(272.0)**	**(143.5)**

The repayment in March 2023 of the OCEANE convertible bond was refinanced by the establishment of bank lines allowing an extension of the maturity of the debt and offering greater flexibility, which is all the more necessary in periods of high interest rates. As a result, gross financial debt at 30 June 2023 decreased by more than €100 million while net financial debt increased by nearly €50 million.

2.3. Key figures by activity

Revenue and operating margin from continuing operations break down as follows:

in € millions	First half of 2023	First half of 2022 restated*	First half of 2022**	Total growth	Organic growth**
Products & Solutions	584.8	554.2	601.5	5.5%	(2.8%)
Services	254.1	247.7	247.7	2.6%	2.6%
Technology Management & Financing	498.3	484.8	493.8	2.8%	0.9%
Revenue	**1,337.2**	**1,286.7**	**1,342.9**	**+3.9%**	**(0.4%)**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

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

in € millions	First half of 2023	First half of 2022 restated*	Operating margin (as a % of H1 2023 revenue)	Operating margin (as a % of H1 2022 revenue)
Products & Solutions	15.9	18.1	2.7%	**3.3%**
Services	11.0	20.3	4.3%	**8.2%**
Technology Management & Financing	17.3	21.6	3.5%	**4.5%**
OPERATING MARGIN (1)	**44.2**	**60.0**	**3.3%**	**4.7%**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

Products & Solutions (P&S) revenue amounted to €585 million, up 5.5%. P&S benefited from the successful integration of SEMIC in Spain and LYDIS in the Netherlands. However, the business posted an organic decrease of 2.8%, after strong growth in the first half of 2022 due notably to a gradual return to normal in its backlog and a first half of 2023 impacted by a market decline (over 10%) and increased in prices. The Operating Margin amounted to €15.9 million, *i.e.* 2.7% of revenue, down 0.6pt. This decrease in the profitability rate was mainly due to the increase in the purchase price of digital equipment not yet passed on.

After a first quarter where it was down slightly, the Services activity at the end of June was up by 2.6%, in purely organic terms, to €254 million. It benefited from positive trends in Spain and Belux. This trend is expected to continue in the second half of the year. On the other hand, the Operating Margin suffered from the increase in personnel costs in the digital industry in 2023, still only partially passed on, as well as the dilutive effect of new contracts in the start-up phase. The Operating Margin amounts to €11.0 million, *i.e.* a profitability of 4.3%.

Technology Management & Financing (TMF) posted revenue of €498 million, up 2.8%, including organic growth of +0.9%. As expected and despite the good momentum in certain countries such as Germany and Italy, growth slowed in the second quarter, marked by fewer deals that contributed significantly to revenue and margin, notably in France. However, the commercial outlook for the coming months allows us to expect a return to more sustained growth in the second half. The Operating Margin stood at €17.3 million, representing a profitability rate of 3.5%.

2.4. Key figures by region

Revenue by geographical area breaks down as follows:

in € millions	First half of 2023	First half of 2022 restated*	First half of 2022**	Total growth*	Organic growth**
France	626.4	706.6	714.5	(11.3%)	(12.3%)
Benelux	195.6	165.3	183.3	18.3%	6.7%
Southern Europe	329.8	263.1	294.9	25.3%	11.8%
Northern & Eastern Europe	176.7	139.7	138.0	26.5%	28.0%
Americas	8.7	12.0	12.3	(27.4%)	(29.1%)
Total revenue	**1,337.2**	**1,286.7**	**1,342.9**	**3.9%**	**(0.4%)**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

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

The organic decline in revenue in France was mainly due to the absence of significant business at TMF during the half-year as well as the negative market trend in the P&S activity. Conversely, the Southern Europe region saw strong organic growth in all of its activities and the Northern & Eastern Europe region posted very strong growth in its TMF activities, over-compensating the difficulties encountered at P&S.

3. Outlook

Econocom maintains its guidance of 5% revenue growth and of the improvement in its consolidated net profit over 2023 as a whole.

4. Risk factors and disputes

The risk factors described in the 2022 annual report have not changed significantly during the first half of 2023.

Pursuant to ESMA recommendations, and as at 31 December 2022, Econocom considers that the impacts of the war in Ukraine and the sanctions against Russia and Belarus should not have a significant direct negative impact on its consolidated financial statements: Econocom has no activity in these three countries and its sales and supplies between these countries are limited. The measures taken against Russian or Belarusian nationals do not impact the Group's shareholding structure.

5. Related parties

There has been no major change in related parties since the publication of the 2022 annual report.

6. Human resources

Econocom Group employed 8,783 people at 30 June 2023, compared with 8,636 at 31 December 2022.

7. Share price and ownership structure

The Econocom share closed at €2.66 on 30 June 2023. The Econocom Group share (BE0974313455 – ECONB) has been listed on NYSE Euronext in Brussels since 1986 and is part of the Bel Mid and Family Business indices.

The following changes took place in the shareholder structure, shown as a % of share capital:

as a % of share capital	30 June 2023		31 December 2022	
	% of capital	**% of voting rights**	**% of capital**	**% of voting rights**
Companies controlled by Jean-Louis Bouchard	49.79%	62.38%	39.99%	62.22%
Public	49.71%	37.62%	40.20%	37.78%
Treasury shares	0.5%	-	16.77%	-
Held by the Company's subsidiaries	-		3.04%	
Total	**100%**	**100%**	**100%**	**100%**

On 2 June 2023, pursuant to the provisions of the Law, Econocom Group SE received a joint notification that FMR LLC had gone above the 5% threshold following an acquisition of shares. As at that date, FMR LLC held 5.38% of the Econocom Group SE share capital.

On 4 July 2023, after the cancellation of treasury shares following the decision of the Extraordinary General Meeting of 22 June and pursuant to the provisions of the Law, Econocom Group SE received a joint notification that Jean-Louis Bouchard, Econocom International BV and Econocom Group SE had fallen below the threshold of 65%.

At 30 June 2023, Econocom Group SE held 900,000 Econocom shares out of a total number of 179,045,899 shares issued, *i.e.* 0.5% of the Company's shares.

02

Consolidated financial statements*

* unaudited

1. Condensed consolidated income statement and earnings per share

As at 30 June 2023 and 30 June 2022

in € millions	Notes	First half of 2023	First half of 2022 restated*
Revenue from continuing operations	**5.3**	**1,337.2**	**1,286.7**
Cost of goods sold or leased		(963.8)	(903.0)
Employee benefits expense		(243.9)	(234.1)
Expenses related to purchased services		(66.9)	(61.8)
Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions		(14.9)	(23.0)
Net impairment losses on current and non-current assets		(1.1)	(2.6)
Taxes (other than income taxes)		(5.8)	(5.1)
Financial income from operating activities		17.5	11.2
Financial expenses from operating activities		(14.1)	(8.6)
Operating margin	**5.4**	**44.2**	**60.0**
Amortisation of intangible assets from acquisitions		(1.2)	(1.0)
Other operating income	5.5	0.1	2.4
Other operating expenses	5.5	(4.8)	(12.6)
Operating profit		**38.3**	**48.8**
Other financial income	5.6	0.8	0.3
Other financial expenses	5.6	(10.5)	(6.5)
Profit before tax		**28.6**	**42.6**
Income tax	5.7	(8.4)	(6.6)
Net income (loss) from equity accounted companies		-	-
Profit (loss) from continuing operations		**20.1**	**36.0**
Profit (loss) from discontinued operations	5.1.4	4.6	(2.2)
Consolidated profit (loss)		**24.7**	**33.8**
Net profit (loss) attributable to non-controlling interests		(1.1)	1.3
Profit for the period attributable to owners of the parent		**25.9**	**32.5**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

attributable to owners of the parent, in €	Notes	First half of 2023	First half of 2022 restated*
Basic earnings per share	**5.8**	0.139	0.186
Basic earnings per share from continuing operations		0.113	0.198
Basic earnings per share from discontinued operations		0.026	(0.012)
Diluted earnings per share	5.8	0.140	0.181
Diluted earnings per share from continuing operations		0.114	0.193
Diluted earnings per share from discontinued operations		0.025	(0.011)
Adjusted earnings per share (1)		0.139	0.247

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

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

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

Statement of consolidated comprehensive income

in € millions	First half of 2023	First half of 2022 restated*
Consolidated profit (loss)	24.7	33.8
Items that will not be reclassified to profit or loss	**-**	**-**
Revaluation of the liabilities (assets) under defined benefit plans	-	-
Deferred taxes on the revaluation of liabilities (assets) under defined benefit plans	-	-
Items that may be reclassified to profit or loss	**1.4**	**(2.1)**
Change in fair value of cash flow hedges	0.7	0.1
Deferred taxes arising on change in value of cash flow hedges	(0.2)	0.0
Foreign currency translation adjustments	1.0	(2.2)
Other comprehensive income (expense)	**1.4**	**(2.1)**
Total comprehensive income for the period	**26.2**	**31.7**
Attributable to non-controlling interests	(0.8)	1.3
Attributable to owners of the parent	27.0	30.4

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

2. Consolidated statement of financial position

Asset

in € millions	Notes	30 June 2023	31 Dec. 2022
Non-current assets			
Intangible assets	5.10.1	43.6	43.3
Goodwill	5.9	555.9	554.2
Property, plant and equipment	5.10.2	39.3	38.0
Rights of use assets	5.10.3	55.3	57.6
Non-current financial assets	5.10.4	22.9	24.4
Residual interest in leased assets	5.12	123.5	114.7
Other long-term receivables	5.11	19.6	21.4
Deferred tax assets		29.7	27.7
Total non-current assets		**889.7**	**881.3**
Current assets			
Inventories	5.15.1	89.4	103.6
Trade and other receivables*	5.15.2	854.0	878.9
Residual interest in leased assets	5.12	44.5	49.8
Current tax assets		8.3	9.5
Costs of implementing and obtaining the contract - assets	5.15.2	35.8	31.3
Other current assets	5.15.2	46.0	36.3
Cash and cash equivalents	5.17.1	133.0	404.8
Assets held for sale	5.1.4	53.4	106.4
Total current assets		**1,264.3**	**1,620.6**
Total assets		**2,154.0**	**2,501.9**

* of which own-booked outstanding rentals: €285.2 million at 30 June 2023 *versus* €283.7 million at 31 December 2022

Liabilities

in € millions	Notes	30 June 2023	31 Dec. 2022
Share capital	5.18.1	23.7	23.7
Additional paid-in capital and reserves		339.4	302.6
Profit for the period attributable to owners of the parent		25.9	63.8
Equity attributable to owners of the parent	**5.18.2**	**389.0**	**390.2**
Non-controlling interests	5.18.5	63.0	66.6
Total equity		**452.0**	**456.8**
Non-current liabilities			
Bonds*	5.17.2	199.4	199.3
Financial liabilities*	5.17.2	160.5	91.9
Gross commitments on residual financial assets	5.13	75.8	78.7
Long-term lease liabilities	5.10.3	38.1	41.2
Other financial liabilities**	5.14	34.1	36.3
Provisions	5.19	13.0	11.2
Provisions for pensions and assimilated commitments		31.4	30.5
Other liabilities		8.8	13.1
Deferred tax liabilities		20.0	12.8
Total non-current liabilities		**581.1**	**515.0**
Current liabilities			
Bonds*	5.17.2	9.6	160.8
Financial liabilities*	5.17.2	84.8	96.3
Gross commitments on residual financial assets	5.13	30.9	24.1
Short-term lease liabilities	5.10.3	18.5	18.6
Other financial liabilities**	5.14	22.5	24.9
Provisions	5.19	14.8	17.4
Current tax liabilities		8.4	10.7
Trade and other payables	5.15.3	752.5	932.1
Contract liabilities		47.2	63.7
Other current liabilities	5.15.3	119.3	124.8
Liabilities held for sale	5.1.4	12.4	56.5
Total current liabilities		**1,120.9**	**1,530.1**
Total equity and liabilities		**2,154.0**	**2,501.9**

* After deducting €133.0 million in cash and cash equivalents at 30 June 2023 (and €404.8 million at 31 December 2022), net financial debt was €321.3 million at 30 June 2023 (compared to €143.5 million at 31 December 2022)

** Relating to contingent acquisition-related liabilities

3. Consolidated statement of changes in shareholders' equity

As at 30 June 2022 and 30 June 2023

in € millions	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Other reserves	Other comprehensive income (expense)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Balance at 31 December 2021	**222,281,980**	**23.7**	**194.8**	**(106.0)**	**274.2**	**(5.9)**	**380.8**	**58.4**	**439.1**
Impact on changes in accounting standards or policies							-		-
Balance at 1 January 2022	**222,281,980**	**23.7**	**194.8**	**(106.0)**	**274.2**	**(5.9)**	**380.8**	**58.4**	**439.1**
Profit for the period					32.5		**32.5**	1.3	33.8
Other comprehensive income (expense), net of tax						6.7	**6.7**		6.7
Total comprehensive income for the first half of 2022*					**30.4**	**(2.1)**	**37.1**	**1.3**	**38.4**
Share-based payments					2.9		**2.9**		2.9
Refund of issue premiums (paid in July)			(25.3)				**(25.3)**	(6.0)	(31.3)
Capital increase	648,000	0.1	1.7				**1.8**		1.8
Treasury share transactions, net				(28.7)			**(28.7)**		(28.7)
Put and call options on non-controlling interests – initial recognition					(0.5)		**(0.5)**	0.5	0.1
Put and call options on non-controlling interests – change in fair value					(23.2)		**(23.2)**	23.2	-
Other transactions and transactions with an impact on non-controlling interests					(3.7)		**(3.7)**	(0.2)	(3.9)
Balance at 30 June 2022 restated*	**222,929,980**	**23.7**	**171.2**	**(134.6)**	**282.2**	**0.8**	**343.3**	**77.2**	**420.5**

in € millions	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Other reserves	Other comprehensive income (expense)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Balance at 31 December 2022	**222,929,980**	**23.7**	**171.2**	**(131.4)**	**313.6**	**13.1**	**390.2**	**66.6**	**456.8**
Impact on changes in accounting standards or policies							-		**-**
Balance at 1 January 2023	**222,929,980**	**23.7**	**171.2**	**(131.4)**	**313.6**	**13.1**	**390.2**	**66.6**	**456.8**
Profit for the period					25.9		**25.9**	(1.1)	**24.7**
Other comprehensive income (expense), net of tax						1.2	**1.2**	0.3	**1.4**
Total comprehensive income for the first half of 2023					**25.9**	**1.2**	**27.0**	**(0.8)**	**26.2**
Share-based payments					1.0		**1.0**		**1.0**
Refund of issue premiums (paid in July)			(28.5)				**(28.5)**	-	**(28.5)**
Capital increase									
Treasury share transactions, net	(43,884,081)			128.7	(130.5)		**(1.8)**		**(1.8)**
Put and call options on non-controlling interests – initial recognition									
Put and call options on non-controlling interests – change in fair value					4.4		**4.4**	(4.6)	**(0.2)**
Other transactions and transactions with an impact on non-controlling interests					(3.2)		**(3.2)**	1.8	**(1.4)**
Balance at 30 June 2023	**179,045,899**	**23.7**	**142.7**	**(2.7)**	**211.1**	**14.2**	**389.0**	**63.0**	**452.0**

4. Consolidated statement of cash flows

As at 30 June 2023 and 30 June 2022

in € millions	Notes	First half of 2023	First half of 2022 restated*
Profit (loss) from continuing operations		20.1	36.0
Provisions, depreciation, amortisation and impairment	5.20.1.1	17.0	30.2
Elimination of the change of residual interests in leased assets	5.20.1.1	(1.4)	(4.0)
Other non-cash expenses (income)	5.20.1.1	0.0	2.3
Cash flows from operating activities after cost of net debt and income tax		**35.8**	**64.4**
Income tax expense	5.7	8.4	6.6
Cost of net financial debt		8.8	3.8
Cash flows from operating activities before cost of net debt and income tax (a)		**53.0**	**74.8**
Change in working capital requirement (b), of which:	5.20.1.2	(198.7)	(167.8)
Investments in own-booked TMF contracts		(1.5)	(73.8)
Other changes in working capital requirement		(197.2)	(94.0)
Tax paid before imputation of tax credits (c)		(6.7)	(12.0)
Net cash from (used in) operating activities (a+b+c=d)	**5.20.1**	**(152.4)**	**(105.0)**
Acquisition of property, plant and equipment and intangible assets	5.20.2	(12.2)	(8.5)
Disposal of property, plant and equipment and intangible assets		-	0.3
Acquisition of long-term financial assets		(0.3)	(0.4)
Disposal of long-term financial assets		0.1	3.9
Acquisition of companies and businesses, net of cash acquired	5.20.2	(5.9)	(26.0)
Disposal of companies and businesses, net of cash acquired		-	-
Net cash from (used in) investing activities (e)	**5.20.2**	**(18.3)**	**(30.8)**

* In accordance with IFRS 5, the restatement of the figures for the first half of 2022 reflects the reclassification of operations considered discontinued in the first half of 2023 to net change in cash and cash equivalents from discontinued operations

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in € millions	Notes	First half of 2023	First half of 2022 restated*
Convertible bonds (OCEANEs) buybacks/repayments		(151.1)	(33.8)
Issue of non-convertible bond loans		-	199.0
Repayments of non-convertible bond loans		-	(60.5)
Capital increases		-	1.8
Purchases of treasury shares (net of sales)		(1.8)	(28.7)
Dividends received		1.7	7.3
Repayment of issue premium/Payments to shareholders		-	-
Change in lease refinancing liabilities		(8.0)	(12.9)
Increase in financial liabilities		237.8	47.7
Decrease in financial liabilities		(147.3)	(53.6)
Net change in commercial paper		(12.5)	0.5
Change in factoring and reverse factoring liabilities		(1.6)	-
Main components of payments coming from leases		(10.6)	(11.0)
Interest paid		(10.5)	(3.2)
Net cash from (used in) financing activities (f)	**5.20.3**	**(103.9)**	**52.7**
Impact of exchange rates on cash and cash equivalents (g)		0.9	2.0
Net change in cash and cash equivalents from discontinued operations (h)		4.1	(16.7)
Change in net cash and cash equivalents (d+e+f+g+h)		**(269.6)**	**(97.8)**
Net cash and cash equivalents at beginning of period (1)	**5.17**	**402.4**	**405.9**
Change in net cash and cash equivalents		**(269.6)**	**(97.7)**
Net cash and cash equivalents at end of period (1)	**5.17**	**132.9**	**308.1**

* In accordance with IFRS 5, the restatement of the figures for the first half of 2022 reflects the reclassification of operations considered discontinued in the first half of 2023 to net change in cash and cash equivalents from discontinued operations.

(1) Net of bank overdrafts: €0.1 million at 30 June 2023 and €0.8 million at 30 June 2022

Key movements in the consolidated statement of cash flows are explained in note 5.20.

5. Notes to the consolidated financial statements

5.1. Accounting policies

5.1.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared on a going concern basis, in accordance with IAS 34 (Interim Financial Reporting) and with IFRS as adopted by the European Union on 30 June 2023.[1]

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

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

They were approved for issue by the Board of Directors on 25 July 2023 and have not been reviewed by the Statutory Auditor.

The accounting policies used in the half-year financial statements are the same as those used to prepare the annual financial statements for the year ended 31 December 2022, as described in the 2022 annual report, except for the items described in paragraph 5.1.2.1 and 5.1.3. on accounting standards that are mandatorily applicable as of 1 January 2023.

The half-year financial statements therefore comply with the disclosure requirements of IAS 34 and as such should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2022 included in the 2022 annual report.

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

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

5.1.1.1. Assessment methods specific to half-year consolidated financial statements

5.1.1.1.1. Provisions for post-employment benefits

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

The pension reform in France has an immaterial impact on post-employment benefits because the retirement age assumptions adopted by the Econocom Group in its consolidated financial statements as at the end of 2022 are similar to the new provisions of the reform.

5.1.1.1.2. Income tax

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

5.1.1.1.3. Fair value measurement of financial assets and liabilities

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

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

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

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

5.1.1.2. Use of estimates and judgements

The preparation of Econocom Group's consolidated financial statements requires the use of estimates and assumptions by Management which may affect the book value of certain items in assets and liabilities, income and expenses, and the information disclosed in the notes to the consolidated financial statements.

Estimates and assumptions are made on the basis of past experience and other elements considered realistic or reasonable and are a basis for the exercise of judgement in determining the book value of assets and liabilities. The Group uses discount rate assumptions (based on market data) to estimate assets and liabilities.

Group Management regularly reviews its estimates and assumptions in order to ensure that they accurately reflect both past experience and the current economic situation.

Depending on changes in these assumptions, the items in its financial statements could differ significantly, which would affect the value of assets, liabilities, equity or the income statement.

The impact of changes in accounting estimates is recognised in the period in which the change occurred.

5.1.1.2.1. Use of estimates

The main estimates and assumptions used by the Group are as follows:

- provisions for risks and other provisions related to the activity;
- employee benefit obligations and share-based payments;
- Group's residual interests in leased assets;
- deferred tax assets and liabilities as well as the current tax expense;
- valuation methods for identifiable assets and liabilities acquired as part of business combinations.

For these estimates, the Group applies the following accounting policies:

- provisions: provisions are recognised to cover probable outflows of resources to a third party with no equivalent consideration for the Group. They include provisions for litigation of any nature which are estimated on the basis of the most probable, conservative settlement assumptions. To determine these assumptions, Group Management relies, where necessary, on assessments made by external consultants;
- valuation of granted stock options and free shares: the actuarial formulae used are sensitive to assumptions concerning employee turnover, changes in and volatility of the share price of Econocom Group SE, as well as the probability of Management achieving its objectives;
- assessments of the probability of recovering the tax loss carryforwards and tax credits of the Group's subsidiaries;
- valuation of the Group's residual interest in leased assets: this valuation is reviewed annually.

5.1.1.2.2. Use of judgement

The Group is required to exercise critical judgement to determine:

- the qualification of dealer-lessor in sale & leaseback contracts;
- the distinction between "agent" and "principal" for revenue recognition;
- the derecognition of financial assets and liabilities;
- identification of an asset or group of assets as held for sale, and discontinued operations.

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

5.1.2. NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

5.1.2.1. Standards, amendments and interpretations adopted by the European Union and applicable at 1 January 2023

The standards, amendments to standards and interpretations, published by the IASB and presented below are mandatory since 1 January 2023:

- Amendment to IAS 1, clarification of the information to be provided on so-called "significant" accounting policies;
- Amendment to IAS 1, presentation of financial statements: classification of a current or non-current liability;
- Amendment to IAS 8, facilitating the distinction between a change in accounting policy and a change in accounting estimate by defining the notion of accounting estimate;
- IFRS 17 "Insurance Contracts";
- Amendments to IAS 12 "Tax related to Assets and Liabilities arising from a Single Transaction".

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

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

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

- IAS 1: Current/non-current classification of non-current liabilities with covenants;
- IAS 7 and IFRS 7: Supplier financing arrangements (*e.g.* reverse factoring);
- Amendment to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture" - deferred application date;
- Amendment to IFRS 16 - Lease liabilities in a sale-leaseback transaction, mandatory from 1 January 2024.

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

5.1.3. CHANGES IN PRESENTATION AND ACCOUNTING POLICIES AND ADJUSTMENTS FOR COMPARABILITY PURPOSES

The consolidated statement of financial position and the consolidated income statement for the first half of 2022 were amended as follows:

- presentation of the consolidated income statement: with a view to providing better information to readers of the consolidated financial statements and in accordance with IAS 1, “Financial income from operating activities”, “Other non-current income and expenses, “Other financial income and expenses” are now presented by distinguishing income and expenses; furthermore “Allocations to amortisation of intangible assets acquired” are also presented separately; and finally, the term “Operating margin” will replace “Current operating profit”.

These changes were already applied in the consolidated financial statements at 31 December 2022.

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

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

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

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

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

5.1.4.1. Discontinued operations

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

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

Profit from discontinued operations includes:

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

5.1.4.2. Main developments

In the first half of 2023, the Board of Directors added one entity to the list of non-strategic activities and entities to be discontinued or sold. Consequently, the financial statements at end-June 2022 were restated in order to ensure comparability of periods with those as at end-June 2023, reclassifying the income and expenses of these entities under “Net profit (loss) from discontinued operations” in accordance with IFRS5.

5.1.4.3. Impact of discontinued operations on the income statement

The profit (loss) from these activities is presented on a distinct line of the income statement, under “Profit (loss) from discontinued operations”. In accordance with IFRS 5, comparative figures are restated. The application of IFRS 5 impacts the 2023 and 2022 interim consolidated income statements of continuing operations as follows:

in € millions	First half of 2023	First half of 2022 restated*
Revenue from continuing operations	52.0	51.5
Operating expenses	(50.0)	(50.4)
Operating margin	**2.0**	**1.2**
Other operating income and expenses	4.5	(4.5)
Operating profit	**6.4**	**(3.3)**
Other financial income and expenses	-	-
Profit before tax	**6.4**	**(3.3)**
Income tax	(1.9)	1.2
Profit (loss) from discontinued operations	**4.6**	**(2.2)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 from activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022.

5.1.4.4. Assets and liabilities held for sale

The assets and liabilities of these activities are presented on separate lines of the statement of financial position. At 30 June 2023 and at 31 December 2022, the application of IFRS 5 impacted the consolidated statement of financial position as follows:

in € millions	First half of 2023	31 December 2022
Goodwill	10.7	10.7
Other non-current assets	19.6	18.0
Current assets	21.6	76.0
Cash and cash equivalents	1.5	1.7
Assets held for sale	**53.4**	**106.4**
Non-current liabilities	3.9	3.0
Current liabilities	8.5	53.5
Liabilities held for sale	**12.4**	**56.5**

5.2. Changes in the scope of consolidation in the first half of 2023

5.2.1. DISPOSALS / LIQUIDATIONS

The following changes were noted in the period:

- **Aciernet France and USA:** at the end of February 2023, the Group sold its entire stake in Aciernet France, which held 100% of the shares of Aciernet USA, resulting in a capital gain impacting the "Profit (loss) from discontinued operations" line in the income statement.
- **Alcion Group:** the company was liquidated at the end of March 2023 and was therefore removed from the scope of consolidation at 1 April 2023 without significant impact.
- **NMR Consultancy:** the company was liquidated at the end of April 2023 and was therefore removed from the scope of consolidation as of 1 May 2023 without significant impact.

5.2.2. ACQUISITIONS OR ENTRIES IN THE SCOPE OF CONSOLIDATION

- **Reliance Financial Services Group BV:** on 28 March 2023, Econocom Nederland BV acquired 100% of the Company's equity securities. This acquisition was linked to the Group's TMF activity.

5.2.3. CHANGES IN OWNERSHIP INTEREST

- **Trams:** the Group exercised its partial purchase options in relation to the minority shareholders; the percentage stake increased from 60.00% to 80.00% on 30 June 2023.

There were no other changes in scope or ownership interest in the first half of 2023.

5.3. Segment information

The segment information presented in accordance with IFRS 8 has been prepared on the basis of internal management data disclosed to the Executive Committee, the Group's primary operating decision-maker with respect to allocating resources and assessing performance.

The Group's activity is broken down into three operating business segments: Products & Solutions, Services and Technology Management & Financing (TMF).

Internal transactions include:

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

The "Operating margin" is the Group's segment income, which corresponds to operating profit before other income and expenses from operating activities and amortisation of intangible assets from acquisitions.

5.3.1. INFORMATION BY OPERATING BUSINESS SEGMENT

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

in € millions	**P&S**	**Services**	**TMF**	**Total**
First half of 2023				
Revenue from external clients	701.1	284.5	501.3	1,486.9
Internal revenue	(116.3)	(30.4)	(3.0)	(149.7)
Total - Revenue from operating segments	**584.8**	**254.1**	**498.3**	**1,337.2**
Operating margin	**15.9**	**11.0**	**17.3**	**44.2**
First half of 2022 restated*	**P&S**	**Services**	**TMF**	**Total**
Revenue from external clients	649.0	280.1	486.7	1,415.8
Internal revenue	(94.8)	(32.4)	(1.9)	(128.1)
Total - Revenue from operating segments	**554.2**	**247.7**	**484.8**	**1,286.7**
Operating margin of activities	**18.1**	**20.3**	**21.6**	**60.0**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

The contribution to the working capital requirement of each business segment is presented below:

in € millions	P&S	Services	TMF	Holdings	Total
WCR at 30 June 2023	(69.1)	(46.7)	308.9	(14.9)	178.2
WCR at 31 December 2022	(171.1)	(81.9)	238.9	12.4	(1.7)

5.3.2. REVENUE BY REGION

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

in € millions	P&S	Services	TMF	First half of 2023
Benelux	98.0	45.0	52.6	195.6
of which Belgium	46.7	34.9	37.4	*118.9*
France	276.2	169.3	180.9	626.4
Southern Europe	157.0	39.8	133.0	329.8
Northern & Eastern Europe	49.8	-	126.9	176.7
Americas	3.8	-	4.9	8.7
Total	**584.8**	**254.1**	**498.3**	**1,337.2**

in € millions	P&S	Services	TMF	First half of 2022 restated*
Benelux	80.3	38.2	46.7	165.3
of which Belgium	*45.0*	*31.5*	*33.3*	*109.8*
France	290.9	172.1	243.6	706.6
Southern Europe	107.9	37.4	117.9	263.1
Northern & Eastern Europe	71.3	-	68.4	139.7
Americas	3.8	-	8.2	12.0
Total	**554.2**	**247.7**	**484.8**	**1,286.7**

* The consolidated income statement for the first half of 2022 was mainly restated for the change in scope of discontinued operations. In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2022. In addition, the Group restated the revenue of the first half of 2022 in order to include the impacts of the analyses finalised at the end of the year on revenue recognition and notably on certain sale & leaseback contracts entered into in the first half of 2022.

5.3.3. NON-CURRENT ASSETS BY REGION

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

in € millions **at 30 June 2023**	**Intangible assets**	**Goodwill**	**Property, plant and equipment**	**Rights of use assets**
Benelux	0.9	74.7	7.0	9.8
of which Belgium	*0.5*	*52.9*	*3.9*	*4.1*
France	39.4	285.6	18.5	32.9
Southern Europe	3.2	161.3	13.4	10.9
Northern & Eastern Europe	0.0	34.2	0.3	1.7
Americas	-	-	-	-
Total	**43.6**	**555.9**	**39.3**	**55.3**

in € millions **at 31 December 2022**	**Intangible assets**	**Goodwill**	**Property, plant and equipment**	**Rights of use assets**
Benelux	0.9	73.5	7.1	10.7
of which Belgium	*0.5*	*52.9*	*4.0*	*4.8*
France	38.8	285.6	17.9	35.0
Southern Europe	3.6	161.3	12.6	9.6
Northern & Eastern Europe	0.0	33.8	0.4	2.3
Americas	-	-	-	-
Total	**43.3**	**554.2**	**38.0**	**57.6**

5.4. Operating margin

5.4.1. COST OF GOODS SOLD OR LEASED

The cost of goods sold or leased breaks down as follows:

in € millions	First half of 2023	First half of 2022 restated*
P&S	(485.9)	(463.3)
Services	(54.1)	(45.4)
Technology Management & Financing	(423.7)	(394.3)
Total	**(963.8)**	**(903.0)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.4.2. EMPLOYEE BENEFITS EXPENSE

The following table presents a breakdown of employee benefits expense:

in € millions	First half of 2023	First half of 2022 restated*
Wages and salaries	(183.2)	(169.5)
Social costs	(53.2)	(52.3)
Other employee benefits expenses	(7.5)	(12.3)
Total	**(243.9)**	**(234.1)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.4.3. EXPENSES RELATED TO PURCHASED SERVICES

Expenses related to purchased services break down as follows:

in € millions	First half of 2023	First half of 2022 restated*
Fees paid to intermediaries and other professionals	(21.3)	(21.8)
Agents’ commissions	(13.2)	(13.1)
External services (maintenance, insurance, etc.)	(9.2)	(7.1)
Other external expenses (subcontracting, public relations, transport, etc.)	(23.2)	(19.8)
Total	**(66.9)**	**(61.8)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.4.4. DEPRECIATION AND AMORTISATION OF NON-CURRENT ASSETS (EXCLUDING INTANGIBLE ASSETS FROM ACQUISITIONS) AND PROVISIONS

Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions break down as follows:

in € millions	First half of 2023	First half of 2022 restated*
Intangible assets: franchises, patents, licences and similar rights, business assets	(3.7)	(3.3)
Non-current rights of use assets	(9.7)	(9.6)
Other property, plant and equipment	(5.4)	(5.0)
Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions)	**(18.8)**	**(17.9)**
Additions to and reversals of provisions for operating contingencies and expenses	**3.8**	**(5.1)**
Total	**(14.9)**	**(23.0)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

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

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

in € millions	First half of 2023	First half of 2022 restated*
Impairment of inventories	(0.5)	(0.7)
Reversals of impairment of inventories	0.3	0.2
Net impairment losses/gains – inventories	**(0.2)**	**(0.5)**
Impairment of doubtful receivables	(4.4)	(4.7)
Reversals of impairment of doubtful receivables	2.6	4.8
Gains and losses on receivables	1.0	(2.2)
Net impairment losses/gains – trade receivables	**(0.8)**	**(2.1)**
Total	**(1.1)**	**(2.6)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.4.6. FINANCIAL INCOME FROM OPERATING ACTIVITIES

Financial income and expenses from operating activities relating to Technology Management & Financing result from the reverse discounting over the year of gross financial residual value commitments, the Group’s residual interest and outstanding leases, as well as the margin on TMF contracts recognised in accordance with IFRS 9. Exchange losses result mainly from fluctuations in the pound sterling and US dollar.

5.4.6.1. Financial income from operating activities

The following table breaks down financial income from operating activities by type:

in € millions	First half of 2023	First half of 2022 restated*
Financial income from operating activities related to Technology Management & Financing	15.3	7.3
Exchange losses	2.1	3.4
Miscellaneous financial income from operating activities	0.1	0.6
Total financial income from operating activities	**17.5**	**11.2**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement for the first half of 2022 (see 5.1.4).

5.4.6.2. Financial expenses from operating activities

The following table breaks down financial expenses from operating activities by type:

in € millions	First half of 2023	First half of 2022 restated*
Financial expenses from operating activities related to Technology Management & Financing	(8.1)	(4.2)
Exchange losses	(2.4)	(2.9)
Factoring financial expenses	(3.2)	(1.2)
Miscellaneous financial expenses from operating activities	(0.4)	(0.3)
Total financial expenses from operating activities	**(14.1)**	**(8.6)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement for the first half of 2022 (see 5.1.4).

5.5. Other operating income and expenses

"Other operating income and expenses", which are excluded from the operating margin, include notably:

- restructuring costs and costs associated with downsizing plans;
- costs of relocating premises;
- costs relating to acquisitions (acquisition fees);
- changes in the fair value of acquisition-related liabilities (contingent consideration): changes in the fair value of put and call options to buy out non-controlling interests are recognised directly in equity;
- material gains and losses on disposals of property, plant and equipment and intangible assets, or of operating assets and continuing operations;
- goodwill impairment losses;
- and, more generally, income and expenses that are deemed unusual in terms of their frequency, nature or amount.

in € millions	First half of 2023	Other operating income	Other operating expenses
Restructuring costs	(2.5)	-	(2.5)
Impairment of non-current assets	(0.9)	-	(0.9)
Doubtful receivables & litigation	(0.5)	0.1	(0.6)
Other	(0.8)	-	(0.8)
Total first half of 2023	**(4.7)**	**0.1**	**(4.8)**

*in € millions, restated**	First half of 2022	Other operating income	Other operating expenses
Restructuring costs	(5.9)	-	(5.9)
Impairment of non-current assets	(1.6)	-	(1.6)
Doubtful receivables & litigation	(0.8)	0.1	(0.9)
Other	(1.9)	2.3	(4.2)
Total first half of 2022*	**(10.2)**	**2.4**	**(12.6)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.6. Net financial income (expense)

5.6.1. OTHER FINANCIAL INCOME

in € millions	First half of 2023	First half of 2022 restated*
Convertible bonds (OCEANEs) buybacks	-	0.2
Other financial income	0.8	0.1
Financial income	**0.8**	**0.3**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.6.2. OTHER FINANCIAL EXPENSES

in € millions	First half of 2023	First half of 2022 restated*
Financial expenses on bonds	(2.9)	(3.4)
Interest on short-term financing	(2.3)	(1.2)
Expenses on non-current liabilities	(3.2)	(0.5)
Interest expense on lease liabilities (IFRS 16)	(0.9)	(0.8)
Financial component of pensions and other post-employment benefits	(0.5)	(0.2)
Other financial expenses	(0.7)	(0.5)
Financial expenses	**(10.5)**	**(6.5)**

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement for the first half of 2022 (see 5.1.4).

5.7. Income taxes

5.7.1. EFFECTIVE TAX RATE

in € millions	First half of 2023	First half of 2022 restated*
Profit before tax on continuing operations	28.6	42.6
Income tax on the profit of continuing operations	(8.4)	(6.6)
Effective tax rate as a percentage of profit before tax	29.5%	15.6%
Projected corporate income tax rate	25.0%	24.0%

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under “Profit (loss) from discontinued operations” in the income statement of the first half of 2022.

The income tax expense for the first half amounted to €8.4 million, including €0.8 million in taxes classified as income tax (compared to €1.3 million in the first half of 2022), corresponding to the CVAE tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) in France, net of corporation tax, and the IRAP (*imposta regionale sulle attività produttive*) in Italy (see note 7 to the consolidated financial statements for the year ended 31 December 2022).

The average corporate tax rate, for the activities subject to it, was estimated for the current period at 25.0% compared to 24.0% in the first half of 2022. The increase in the income tax expense between the first half of 2022 and the first half of 2023 is therefore due both to the increase in this projected rate and to fewer profits not subject to corporate income tax.

5.8. Basic and diluted earnings per share

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

5.8.1. EARNINGS PER SHARE

in € millions, except for per share data and number of shares	First half of 2023	First half of 2022 restated*
Consolidated profit (loss)	24.7	33.8
Consolidated profit (loss) from continuing operations	20.1	36.0
Consolidated profit (loss) from discontinued operations	4.6	(2.2)
Adjusted profit (loss)	24.6	44.8
Average number of shares outstanding	178,387,018	181,283,361
Consolidated earnings per share (in €)	0.139	0.186
Earnings per share from continuing operations (in €)	0.113	0.198
Earnings per share from discontinued operations (in €)	0.026	(0.012)
Adjusted earnings per share (in €)	0.138	0.247

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2022.

5.8.2. DILUTED EARNINGS PER SHARE

in € millions, except for per share data and number of shares	First half of 2023	First half of 2022 restated*
Diluted earnings	25.2	35.1
Diluted earnings from continuing operations	20.6	37.3
Diluted earnings from discontinued operations	4.6	(2.2)
Average number of shares outstanding	178,387,018	181,283,361
Impact of stock options	499,669	144,343
Impact of free shares	1,220,580	3,117,265
Impact of convertible bonds (OCEANEs)	-	9,145,541
Diluted average number of shares outstanding	180,107,268	193,690,510
Diluted earnings per share (in €)	0.140	0.181
Diluted earnings per share from continuing operations (in €)	0.114	0.193
Diluted earnings per share from discontinued operations (in €)	0.025	(0.011)
Adjusted diluted earnings per share (in €)	0.139	0.238

* In accordance with IFRS 5, income and expenses from the first half of 2022 of activities considered to be discontinued in the first half of 2023 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2022.

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

In accordance with IFRS standards, the stock option expense recognised in the income statement was not restated.

5.9. Goodwill

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

in € millions	**P&S**	**Services**	**TMF**	**Total**
Goodwill at 1 January 2023	**175.0**	**237.2**	**142.0**	**554.1**
PPA adjustments	0.3	-	-	0.3
Acquisitions	-	-	1.0	1.0
Disposals	-	-	-	-
Foreign exchange gains and losses	0.5	-	-	0.5
Goodwill at 30 June 2023	**175.7**	**237.2**	**143.0**	**555.9**
Of which gross amount	175.7	241.5	143.0	560.1
Of which accumulated impairment	-	(4.3)	-	(4.3)

As at 30 June 2023, the goodwill relating to Reliance Financial Services Group BV, acquired on 31 March 2023, remained provisional and in the allocation period.

Given its earnings forecasts for the year and the outlook for the following years, the Group did not consider it necessary to implement an impairment test at 30 June 2023. In addition, the assumptions used at the end of 2022 were not called into question during the first half of 2023.

5.10. Intangible, tangible and financial fixed assets

5.10.1. INTANGIBLE ASSETS

in € millions	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Acquisition cost					
Gross value at 31 December 2022	**54.0**	**36.5**	**57.8**	**3.4**	**151.8**
Acquisitions	-	0.6	4.3	0.1	5.0
Disposals/Retirements	-	(0.1)	-	-	(0.1)
Changes in scope of consolidation	-	-	-	-	-
Transfers and other movements	-	0.2	(0.2)	(0.1)	(0.1)
Reclassification to assets held for sale	-	-	-	-	-
Gross value at 30 June 2023	**54.0**	**37.2**	**61.9**	**3.4**	**156.5**
Depreciation and impairment					
Accumulated depreciation and amortisation at 31 December 2022	**(38.3)**	**(29.5)**	**(37.6)**	**(3.1)**	**(108.4)**
Additions	(1.0)	(1.2)	(2.5)	(0.1)	(4.8)
Disposals/Retirements	-	0.1	-	-	0.1
Changes in scope of consolidation	-	-	-	-	-
Transfers and other movements	-	0.1	-	0.1	0.2
Reclassification to assets held for sale	-	-	-	-	-
Accumulated depreciation and amortisation at 30 June 2023	**(39.3)**	**(30.5)**	**(40.2)**	**(3.1)**	**(113.0)**
Net book value at 31 December 2022	**15.8**	**7.0**	**20.2**	**0.3**	**43.4**
Net book value at 30 June 2023	**14.8**	**6.7**	**21.8**	**0.3**	**43.6**

5.10.2. PROPERTY, PLANT AND EQUIPMENT

in € millions	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Property, plant and equipment held under financial leases	Total
Acquisition cost						
Gross value at 31 December 2022	**35.1**	**55.4**	**17.0**	**21.9**	**0.8**	**130.2**
Acquisitions	0.9	3.5	0.2	2.7	-	7.3
Disposals/Retirements	(1.6)	(1.2)	(0.1)	(0.0)	-	(2.9)
Changes in scope of consolidation	-	-	-	-	-	-
Transfers and other movements	(0.2)	3.3	1.3	(4.2)	(0.8)	(0.8)
Reclassification to assets held for sale	-	-	-	-	-	-
Gross value at 30 June 2023	**34.1**	**61.1**	**18.4**	**20.4**	**0.0**	**133.9**
Depreciation and impairment						
Accumulated depreciation and amortisation at 31 December 2022	**(21.7)**	**(44.7)**	**(12.1)**	**(13.0)**	**(0.8)**	**(92.2)**
Additions	(1.9)	(2.7)	(1.1)	(0.4)	-	(6.2)
Disposals/Retirements	1.6	1.1	0.1	0.1	-	2.9
Changes in scope of consolidation	-	-	-	-	-	-
Transfers and other movements	0.3	(1.0)	0.7	-	0.8	0.8
Reclassification to assets held for sale	-	-	-	-	-	-
Accumulated depreciation and amortisation at 30 June 2023	**(21.7)**	**(47.2)**	**(12.4)**	**(13.3)**	**-**	**(94.6)**
Net book value at 31 December 2022	**13.4**	**10.7**	**4.9**	**8.9**	**-**	**38.0**
Net book value at 30 June 2023	**12.5**	**13.8**	**6.0**	**7.0**	**-**	**39.3**

5.10.3. RIGHTS OF USE ASSETS

5.10.3.1. Right-of-use assets related to leases

in € millions	Buildings & developments	Vehicles	Total
Acquisition cost			
Gross value at 31 December 2022	**89.7**	**43.1**	**132.7**
Acquisitions	6.9	14.0	20.9
Remeasurement and end of contract	(9.8)	(36.9)	(46.7)
Transfers and other movements	0.2	(3.1)	(2.9)
Changes in scope of consolidation	-	-	-
Reclassification to assets held for sale	-	-	-
Gross value at 30 June 2023	**87.0**	**17.1**	**104.1**
Depreciation and impairment			
Accumulated depreciation and amortisation at 31 December 2022	**(46.2)**	**(28.9)**	**(75.1)**
Additions	(6.8)	(3.0)	(9.8)
Remeasurement and end of contract	7.4	25.8	33.2
Transfers and other movements	(0.1)	3.1	3.0
Changes in scope of consolidation	-	-	-
Reclassification to assets held for sale	-	-	-
Accumulated depreciation and amortisation at 30 June 2023	**(45.7)**	**(3.1)**	**(48.8)**
Net book value at 31 December 2022	**43.5**	**14.1**	**57.6**
Net book value at 30 June 2023	**41.3**	**14.0**	**55.3**

5.10.4. LEASE PAYABLES

in € millions	Total	<1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Lease payables	**56.7**	18.5	14.0	16.4	7.8

5.10.5. NON-CURRENT FINANCIAL ASSETS

in € millions	Investments in non-consolidated companies (1)	Investments in associates and joint ventures (2)	Other financial assets (3)	Total
Balance at 31 December 2021	**8.6**	**-**	**20.9**	**29.5**
Increases	-	-	0.5	**0.5**
Additions	(0.4)	-	-	**(0.4)**
Repayments/Disposals	(0.1)	-	(3.2)	**(3.3)**
Changes in scope of consolidation	0.1	-	0.1	**0.1**
Share of profit (loss) of associates and joint ventures	-	-	-	**-**
Reclassification to assets held for sale	(3.5)	-	(1.2)	**(4.8)**
Balance at 30 June 2022	**4.7**	**-**	**17.0**	**21.6**
Balance at 31 December 2022	**4.1**	**-**	**20.3**	**24.4**
Increases	-	-	1.2	**1.2**
Additions	-	-	-	**-**
Repayments/Disposals	(0.1)	-	(2.7)	**(2.7)**
Changes in scope of consolidation	-	-	-	**-**
Share of profit (loss) of associates and joint ventures	-	-	-	**-**
Reclassification to assets held for sale	-	-	-	**-**
Balance at 30 June 2023	**4.0**	**-**	**18.8**	**22.9**

(1) This relates to the Group's interest in non-controlled entities for €4.0 million, including principally shares in Hélios (€2.4 million), Histovery (€0.8 million), Kartable (€0.5 million), Neuradom (€0.2 million) and JTRS (€0.2 million).

(2) As of 30 June 2023, there are no longer any entities accounted for using the equity method.

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

5.11. Other long-term receivables

in € millions	30 June 2023	31 Dec. 2022
Government, long-term grants receivable	0.0	1.7
Other long-term receivables	19.6	19.6
Other receivables	**19.6**	**21.4**

5.12. Residual interest in leased assets

Residual interest is recognised as an asset when a lease is classified as a financial lease. Residual interest in leased assets reflects a forecasted market value of the assets included in the leases.

They are determined on the basis of a percentage of the purchase value of the equipment (a grid has been set up by category of equipment) and the lease term (this percentage decreases according to said term).

There are three exceptions to the application of this grid:

- an *ad hoc* grid targeting a selection of specific digital equipment is used to replace this general grid;
- in case of renewable contracts, the residual interest of the assets is capped and may not exceed a more limited percentage of the purchase value of the equipment;
- Non-digital assets (or similar) leased, known as industrial assets, and recent assets for which the Group has no knowledge of the secondary market value or of comparable assets have a residual interest value of zero, except where an external evaluation can give a value at the end of the contract.

These schedules are reviewed regularly by Group Management on the basis of its experience of the second-hand markets. If the Group identifies potential capital losses on the amount of residual interest on certain assets, an impairment loss is recorded.

in € millions	**30 June 2023**	**31 Dec. 2022**
Residual interest in leased assets non-current portion (between 1 and 5 years)	**123.5**	114.7
Residual interest in leased assets current portion (less than 1 year)	**44.5**	49.8
Total	**168.0**	**164.6**

The residual interest recognised at the end of June 2023 was up by €3.4 million compared to 31 December 2022 and amounted to €168.0 million on a portfolio of leased assets representing €5.2 billion (original purchase price of the assets), representing a residual interest/asset portfolio ratio of 3.2% (3.0% at end-December 2022).

The impact of discounting on the total value of residual interest amounted to €16.0 million, *i.e.* pre-discounted values of €184.0 million at 30 June 2023. Residual interest in leased assets concerns digital assets and industrial assets amounting to €150.6 million and €33.4 million, respectively.

5.13. Gross liability for repurchase of leased assets

In the context of the refinancing of financial leases with refinancing partners, agreements entered into may provide for the refinancing of all or part of the residual interest in leased assets in the form of a repayable advance. This advance, repayable at the end of the initial period of the financial lease, therefore constitutes a liability within the meaning of IFRS 9. This liability is discounted using the same conditions as the financial lease.

The financing of this residual interest by the refinancing partner is carried out on the basis of negotiations on a case-by-case basis; the latter may decide not to make an advance, or to make a partial or total advance of the residual value. In addition, certain financial lease are not refinanced. As a result, residual interest and gross liability for repurchases of leased assets may differ significantly.

This debt is excluded from the calculation of net financial debt used by the Group.

in € millions	30 June 2023	31 Dec. 2022
Total gross commitments on residual financial assets non-current (between 1 and 5 years)	**75.8**	78.7
Total gross commitments on residual financial assets current portion (less than 1 year)	**30.9**	24.1
Total	**106.8**	**102.8**

The present value of items recorded in “Gross liability for purchases of leased assets” (current and non-current portions) stands at €106.8 million. The cumulative impact of discounting was €9.2 million at the end of June 2023, *i.e.* €116.0 million before discounting at 30 June 2023.

5.14. Other financial liabilities

Other financial liabilities are contingent acquisition-related liabilities including options to commit to buy back non-controlling interests, contingent consideration and deferred payments, most of which have been granted subject to attainment of future financial targets. These liabilities are thus dependent on the estimated future performance of the entities concerned (*e.g.* EBIT multiples, expected future cash flows, etc.).

At the end of June 2023, the Group had call options (and non-controlling shareholders had put options) on the remaining shares, which should enable it to acquire all or part of the capital of the following entities: Exaprobe, Helis, Econocom Factory, Semic, Lydis and Trams. Under these options, Econocom agreed to acquire the shares and also has the right to be sold the shares by the non-controlling shareholders.

in € millions		Put and call options on non-controlling interests	Contingent consideration	Deferred payments	Total conditional acquisition liabilities	Current portion	Non-current portion
At 31 December 2022		**58.1**	**1.5**	**1.6**	**61.2**	**24.9**	**36.3**
Disposals and IFRS 5				-	-		
Increases against equity or goodwill		-	0.6	-	0.6		
Disbursements		(4.6)		(0.9)	(5.5)		
Reclassification/Others		-	-	-	-		
Change in fair value	Through shareholders' equity	0.2	-	-	0.2		
	Through other operating profit	-	-	-	-		
	Through operating margin	-	-	-	-		
At 30 June 2023		**53.7**	**2.1**	**0.7**	**56.5**	**22.5**	**34.1**

5.15. Operating assets and liabilities

5.15.1. INVENTORIES

	30 June 2023			31 Dec. 2022		
in € millions	Gross	Impairment	Net	Gross	Impairment	Net
Equipment in the process of being refinanced	**10.0**	**(0.2)**	**9.9**	**19.2**	**(0.1)**	**19.1**
Other inventories	**87.4**	**(8.0)**	**79.5**	**92.2**	**(7.8)**	**84.5**
IT equipment and telecoms	78.0	(3.9)	74.1	79.6	(3.8)	75.8
Spare parts and others	9.5	(4.1)	5.4	12.7	(4.0)	8.7
Total	**97.5**	**(8.1)**	**89.4**	**111.4**	**(7.9)**	**103.6**

5.15.2. TRADE AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	30 June 2023			31 Dec. 2022		
in € millions	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables	853.1	(47.0)	806.1	856.4	(47.2)	809.2
Other receivables	50.7	(2.9)	47.8	70.7	(1.0)	69.7
Trade and other receivables	**903.8**	**(50.0)**	**854.0**	**927.0**	**(48.2)**	**878.9**
Contract assets	**35.8**	**-**	**35.8**	**31.3**	**-**	**31.3**
Other current assets	**46.0**	**-**	**46.0**	**36.3**	**-**	**36.3**

Change in trade receivables is broken down below by business:

	30 June 2023				31 December 2022			
in € millions	**Receivables invoiced, net of impairment**	**Revenue accruals**	**Outstanding rentals**	**Total**	**Receivables invoiced, net of impairment**	**Revenue accruals**	**Outstanding rentals**	**Total**
P&S	114.4	42.7	-	157.1	154.3	48.1	-	202.4
Services	19.4	49.7	-	69.0	13.2	22.1	-	35.3
TMF	208.3	2.2	369.4	580.0	228.1	5.6	337.8	571.5
Total	**342.1**	**94.7**	**369.4**	**806.1**	**395.6**	**75.8**	**337.8**	**809.2**

Impairment of receivables

in € millions	**31 Dec. 2022**	**Additions**	**Reversals**	**Other changes**	**Reclassification under assets held for sale**	**30 June 2023**
Impairment of doubtful receivables	(47.2)	(5.2)	5.7	(0.2)	-	(47.0)

Other receivables

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

in € millions	**30 June 2023**	**31 Dec. 2022**
Tax receivables (excl. income tax)	28.1	23.9
Receivables on factors	5.2	27.7
Government grants receivable	0.6	1.0
Due from suppliers	6.5	10.2
Other	7.5	6.8
Other receivables	**47.8**	**69.7**

Other current assets

Other current assets correspond mainly to prepaid expenses of €46.0 million compared to €36.3 million at 31 December 2022.

5.15.3. TRADE AND OTHER CURRENT PAYABLES AND OTHER CURRENT LIABILITIES

"Trade and other payables" breaks down as follows:

in € millions	30 June 2023	31 Dec. 2022
Trade payables	**571.5**	**741.2**
of which reverse factoring trade payables	*21.4*	*104.6*
Other payables	**181.0**	**191.0**
Tax and social liabilities	147.2	183.8
Dividends payable	29.9	1.4
Customer prepayments and other payables	3.9	5.7
Trade and other payables	**752.5**	**932.1**

The other current liabilities comprise the following items:

in € millions	30 June 2023	31 Dec. 2022
Contract liabilities	**47.2**	**63.7**
Deferred income	98.6	109.5
Other liabilities	20.7	15.4
Other current liabilities	**119.3**	**124.8**

5.16. Classification of financial instruments and fair value hierarchy

IFRS 7 "Financial Instruments: Disclosures" sets out a fair value hierarchy, as follows:

- Level 1: fair value based on quoted prices in active markets;
- Level 2: fair value measured using observable market inputs (other than the quoted market prices included in Level 1);
- Level 3: fair value measured using unobservable market inputs.

The fair value of financial instruments is determined using market prices resulting from trades on a national stock exchange or over-the-counter markets.

When no market price is available, fair value is measured using other valuation methods such as discounted future cash flows. In any event, estimates of market value are based on certain interpretations required when measuring financial assets. As such, these estimates do not necessarily reflect the amounts that the Group would actually receive or pay if the instruments were traded on the market. The use of different estimates, methods and assumptions may have a material impact on estimated fair values.

In view of their short-term nature, the book value of trade and other receivables and cash and cash equivalents is considered as a good estimation of their fair value.

Derivative instruments and non-consolidated equity investments are measured using Level 2 fair values. Cash equivalents are recognised at their Level 1 fair value.

5.16.1. FINANCIAL ASSETS

In respect of the first half of 2023, the Group's financial assets break down as follows:

in € millions	Book value				Level in the fair value hierarchy		
Balance sheet headings	Notes	Amortised cost	Fair value recognised through other comprehensive income (expense)	Fair value through profit or loss	Level 1	Level 2	Level 3
Non-current financial assets	5.10.4	18.9	-	4.0	-	22.9	-
Long-term receivables	5.11	19.6	-	-	-	19.6	-
Residual interest	5.12	168.0	-	-	-	168.0	-
Trade receivables	5.15.2	806.1	-	-	-	806.1	-
Other receivables	5.15.2	47.8	-	-	-	47.8	-
Cash and cash equivalents	5.15.1	-	-	133.0	133.0	-	-
Total financial assets		**1,060.4**	**-**	**137.1**	**133.0**	**1,064.4**	**-**

5.16.2. FINANCIAL LIABILITIES AND OTHER LIABILITIES

In view of their short-term nature, the book value of trade and other payables is considered as a good estimation of their fair value.

The market value of derivative instruments is measured based on valuations provided by bank counterparties or models widely used in financial markets, on the basis of data available at the reporting date.

in € millions		Book value			Level in the fair value hierarchy		
Balance sheet headings	Notes	Amortised cost	Fair value recognised through other comprehensive income (expense)	Fair value through profit or loss	Level 1	Level 2	Level 3
Gross debt	5.17.2	454.2	-	-	-	454.2	-
Of which non-convertible bonds		*209.0*	-	-	-	*209.0*	
Of which bank debt, commercial paper and other		*47.3*	-	-	-	*47.3*	
Of which liabilities relating to contracts refinanced with recourse		*198.1*	-	-	-	*191.1*	
Gross commitments on residual financial assets	5.13	106.8	-	-	-	106.8	-
Lease liabilities	5.10.3	56.7	-	-	-	56.7	-
Acquisition-related liabilities			2.1	54.4	-	-	56.5
Other non-current liabilities		8.8	-	-	-	8.8	-
Trade payables	5.15.3	571.5	-	-	-	571.5	-
Other payables (excluding derivative instruments)	5.15.3	181.0	-	-	-	181.0	-
Other current liabilities	5.15.3	20.7	-	-	-	20.7	-
Total financial liabilities and other liabilities		**1,399.7**	**2.1**	**54.4**	**-**	**1,399.7**	**56.5**

5.17. Cash, gross debt and net debt

5.17.1. CASH AND CASH EQUIVALENTS

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

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

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts. Cash and cash equivalents can be broken down as follows at end-June 2023 and end-December 2022:

in € millions	30 June 2023	31 Dec. 2022
Cash in hand	**118.5**	**384.4**
Demand deposits	0.2	0.1
Sight deposits	118.3	384.3
Cash equivalents	**14.5**	**20.4**
Term accounts	2.0	-
Marketable securities	12.5	20.3
Cash and cash equivalents	**133.0**	**404.8**
Bank overdrafts	(0.1)	(2.4)
Cash and cash equivalents net of bank overdrafts	**132.9**	**402.4**

5.17.2. GROSS FINANCIAL DEBT

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

- the gross liability for purchases of leased assets and residual interests in leased assets;
- the derivative instrument hedging Schuldschein notes and
- lease liabilities.

in € millions	30 June 2023	31 Dec. 2022
Non-convertible bond loan (Schuldschein bond) – non-current portion	199.4	199.3
Bonds – non-current	**199.4**	**199.3**
Other debt	143.9	68.0
Financial lease liabilities (1)	16.6	23.9
Financial liabilities – non-current	**160.5**	**91.9**
Non-current interest-bearing liabilities	**359.9**	**291.1**
Convertible bond loan (OCEANE) – current portion	-	151.2
Non-convertible bond loan (Schuldschein bond) – current portion	9.6	9.6
Bonds – current portion	**9.6**	**160.8**
Commercial paper	20.0	32.5
Factoring liabilities (2)	13.2	14.5
Reverse factoring liabilities	-	0.1
Financial lease and similar liabilities (1)	18.0	17.8
Other current borrowings and debt with recourse	33.6	29.1
Financial liabilities – current portion (3)	**84.8**	**93.9**
Current interest-bearing liabilities	**94.4**	**254.8**
Total gross financial debt(3)	**454.2**	**545.9**

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

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

(3) Excluding bank overdrafts.

5.17.3. NET FINANCIAL DEBT

The notion of net financial debt used by the Group consists of gross debt (see note 5.17.2) less cash and cash equivalents (see note 5.17.1). This indicator is used for financial communication purposes, notably to calculate certain performance ratios.

in € millions	31 Dec. 2022	Cash flows	Non-cash flows			30 June 2023
			Amortised cost of debt	Exchange rate impact	Other	
Cash and cash equivalents net of bank overdrafts (1)	**402.4**	**(270.4)**	**-**	**0.9**	**(0.1)**	**132.9**
Commercial paper and credit lines	(54.2)	26.7	-	-	(19.7)	**(47.3)**
Net cash at bank	**348.2**	**(243.7)**	**-**	**0.9**	**(19.8)**	**85.6**
Convertible bond (OCEANE)	(151.2)	151.8	(0.6)			**-**
Bond debt (Schuldschein)	(208.9)	3.6	(3.7)			**(209.0)**
Leases refinanced with recourse	(41.7)	8.1		(0.2)	(0.8)	**(34.6)**
Factoring financial liabilities with recourse	(14.5)	1.5		(0.2)		**(13.2)**
Reverse factoring liabilities	(0.1)	0.1				**-**
Other liabilities	(75.3)	(94.6)			19.7	**(150.3)**
Sub-total	**(491.7)**	**70.6**	**(4.3)**	**(0.4)**	**18.9**	**(407.0)**
Net cash surplus/(Net financial debt)	**(143.5)**	**(173.2)**	**(4.3)**	**0.5**	**(0.9)**	**(321.3)**

(1) Including current bank overdrafts totalling €0.1 million at 30 June 2023 and €2.4 million at 31 December 2022. The -€269.6 million change in net cash and cash equivalents as shown in the statement of cash flows is equal to the sum of monetary outflows (-€270.4 million), translation adjustments (+€0.9 million) and other changes (-€0.1 million).

5.17.3.1. Convertible bond debt (OCEANE)

The Group reimbursed the OCEANE convertible bond on 6 March 2023.

5.17.3.2. Bond debt (Schuldschein)

Cash flows on non-convertible bond debt (Schuldschein) correspond to the payment of the coupons due on 2 May 2022 for €3.6 million. Coupons paid are shown on the "Interest paid" line in the consolidated statement of cash flows.

5.18. Equity items

5.18.1. SHARE CAPITAL

At 30 June 2023, the total number of shares conferring voting rights was 179,045,899.

	Number of shares			Value in € millions		
	Total	Treasury shares (1)	Outstanding	Share capital	Additional paid-in capital	Treasury shares
At 31 December 2022	222,929,980	44,177,693	178,752,287	23.7	171.2	(131.4)
Capital increase						
Purchases of treasury shares, net of sales	(43,884,081)	(43,277,693)	(606,388)			130.5
Refund of issue premium					(28.5)	
At 30 June 2022	**179,045,899**	**900,000**	**178,145,899**	**23.7**	**142.7**	**(2.7)**

(1) At 30 June 2023, all of the shares are in their own account.

The number of dematerialised shares amounted to 116,666,549 and the number of registered shares to 62,379,350, *i.e.* a total of 179,045,899 shares.

5.18.2. CHANGES IN EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

At 30 June 2023, equity attributable to owners of the parent amounted to €389.0 million (€390.2 million at 31 December 2022 restated). The table below shows changes in this item:

in € millions	30 June 2023
At 31 December 2022	**390.2**
Comprehensive income	27.0
Share-based payments, net of tax	1.0
Refund of issue premiums/Payments to shareholders	(28.5)
Capital increase	-
Treasury share transactions	(1.8)
Impact of put options granted to non-controlling shareholders	-
Reclassifications between equity attributable to owners of the parent and non-controlling interests following acquisitions of additional shares	4.4
Miscellaneous (transactions impacting non-controlling interests and other transactions)	(3.2)
At 30 June 2023	**389.0**

5.18.3. STOCK SUBSCRIPTION AND PURCHASE OPTION PLANS

Stock subscription and purchase option plans have been granted to some of the Group's employees and corporate officers for an agreed unit price. Stock subscription and purchase option plans are equity-settled share-based payment transactions. In accordance with the number of options expected to vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the proceeds received.

The characteristics of these plans are detailed below. It should be noted that the number of options granted remains unchanged but that owing to the share split, the number of rights attached to each option has doubled.

Stock option plans	Subscription options		Purchase options	Total
Year granted	**2016** (1)	**2017** (2)	**2022**	
Options outstanding at 31 Dec. 2022	**85,000**	**90,000**	**550,000**	**725,000**
Options granted during the period	-	-	**-**	**-**
Options exercised during the period	-	-	**-**	**-**
Options lapsed or forfeited	-	-	**-**	**-**
Options outstanding at 30 June 2023	**85,000**	**90,000**	**550,000**	**725,000**
Rights granted in number of shares (comparable) at 31 December 2022	170,000	90,000	550,000	**810,000**
Rights granted in number of shares (comparable) at 30 June 2023	**170,000**	**90,000**	**550,000**	**810,000**
Option exercise price (in €)	11.48	6.04	0.42	
Option exercise price (in €)	5.85	6.04	0.42	
Average share price at the exercise date	-	-	-	
Expiry date	**Dec. 2023**	**Dec. 2023**	**Dec. 2024**	**-**

(1) In December 2014, the Board of Directors approved a plan to issue 2,500,000 stock subscription rights. These options were issued by the Compensation Committee in 2014 (2,075,000 options), 2015 (360,000 options) and 2016 (105,000 options). The formula adopted will allow Econocom Group to issue new shares in the event of the exercise of these options.

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

5.18.4. FREE SHARE PLAN

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

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

As at 30 June 2023, 1,200,000 free shares had not been fully vested.

Year granted	Tranche	Free shares unvested as of 31 Dec. 2022	Award	Vesting	Loss or cancellation	Free shares unvested as of 30 June 2023	Vesting date
2018	4	-	-	-	-	-	
	5	50,000	-	-	(50,000)	-	**March 2023**
2021	1	-	-	-	-	-	
	2	700,000	-	-	-	700,000	**July 2023**
	3	500,000	-	-	-	500,000	**July 2024**
Total		**1,250,000**	**-**	**-**	**(50,000)**	**1,200,000**	**-**

5.18.5. CHANGE IN NON-CONTROLLING INTERESTS

At 30 December 2021, non-controlling interests amounted to €63.0 million (€66.6 million at 31 December 2022). The table below shows changes in this item:

in € millions	30 June 2022
At 31 December 2022	**66.6**
Share of comprehensive income attributable to non-controlling interests	(0.8)
Refund of issue premiums/Payments to shareholders	-
Impact of put options granted to non-controlling shareholders	-
Reclassifications between equity attributable to owners of the parent and non-controlling interests following acquisitions of additional shares	(4.6)
Miscellaneous transactions impacting reserves of non-controlling interests	1.8
At 30 June 2023	**63.0**

5.19. Provisions

in € millions	31 Dec. 2022	Additions	Reversals not used	Reversals used	Other and exchange differences	30 June 2023
Restructuring and employee-related risks	7.8	0.6	(1.4)	(0.5)	0.2	6.7
Tax, legal and commercial risks	18.1	0.8	(2.4)	(0.6)	2.0	17.9
Deferred commissions	1.2	0.1	(0.1)	-	-	1.2
Other risks	1.6	0.5	(0.0)	-	(0.1)	2.0
Total	**28.7**	**2.0**	**(3.9)**	**(1.1)**	**2.1**	**27.9**
Non-current portion	11.2	0.1	(0.2)	(0.1)	1.9	13.0
Current portion	17.4	2.0	(3.7)	(1.1)	0.2	14.8
Profit (loss) impact of movements in provisions						
Operating margin		0.5	(3.6)	(0.7)		
Other operating income and expenses		1.0	(0.3)	(0.4)		
Income tax expense		0.5	-			

During the period, additions to provisions net of reversals of provisions not utilised had a negative impact of +€2.4 million on profit.

5.20. Notes to the consolidated statement of cash flows

5.20.1. DEFINITION OF CASH FLOWS

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

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

Year-on-year changes in cash and cash equivalents can be broken down as follows in 2023 and 2022:

in € millions	30 June 2023	30 June 2022
Net cash and cash equivalents at 1 January	402.4	405.8
Change in net cash and cash equivalents	(269.6)	(97.7)
Net cash and cash equivalents at 31 December	**132.9**	**308.1**

5.20.2. NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash flows from operating activities amounted to -€152.4 million in the first half of 2023 compared to -€105.0 million in the first half of 2022; they mainly result from:

- cash flows from operating activities totalling €53.0 million in 2023 compared to €74.8 million in 2022;
- an increase of €1.5 million in 2023 (compared to €73.8 million in 2022) of outstandings related to self-funded contracts in the Technology Management & Financing activity, net of refinancing obtained);
- other increases in working capital requirements of €197.2 million in the first half of 2023 (limited increase of €94.0 million in the first half of 2022, benefiting from a temporary positive effect of €53 million).

5.20.2.1. Non-cash expenses (income)

in € millions	First half of 2023	First half of 2022 restated*
Depreciation/amortisation of property, plant and equipment and intangible assets	20.6	18.5
Net additions to (reversals from) provisions for contingencies and expenses	(4.1)	10.6
Change in provisions for pensions and other post-employment benefit obligation	0.8	1.0
Impairment of trade receivables, inventories and other current assets	(0.3)	0.1
Total provisions, depreciation, amortisation and impairment	**17.0**	**30.2**
Change in residual interest in leased assets (1)	**(1.4)**	**(4.0)**
Cost of discounting residual interest in leased assets and gross liability for purchases of leased assets	0.0	(1.0)
Losses (gains) on disposals of property, plant and equipment and intangible assets	(0.1)	0.1
Gains and losses on fair value remeasurement	(0.1)	(0.0)
Expenses calculated for share-based payments	1.0	2.9
Impact of sold operations and changes in consolidation methods and other income/expenses with no effect on cash and cash equivalents	(0.9)	0.3
Other non-cash expenses (income)	**0.0**	**2.3**
Non-cash expenses (income)	**15.6**	**28.5**

* In accordance with IFRS 5, the restatement of the figures for the first half of 2022 reflects the reclassification of operations considered discontinued in the first half of 2023 to net change in cash and cash equivalents from discontinued operations.

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

5.20.2.2. Change in working capital requirement

The increase in working capital requirement breaks down as follows:

in € millions	Notes	31 Dec. 2022	Change in H1 2023 WCR	Reclassifications to assets and liabilities held for sale	Total other changes (1)	30 June 2023
Other long-term receivables, gross		26.1	(3.8)	-	0.2	22.5
Inventories, gross	5.15.1	111.4	(9.2)	-	(4.8)	97.5
Trade and other receivables, gross	5.15.2	927.0	(33.0)	(1.8)	11.8	903.8
Residual interest in leased assets (2)	5.12	164.6	-	-	3.5	168.0
Current tax assets		9.5	-	0.1	(1.4)	8.3
Costs of implementing and obtaining the contract - assets		31.3	4.5	-	-	35.8
Other current assets	5.15.2	36.3	3.6	(0.0)	6.1	46.0
Trade receivables and other operating assets		**1,306.4**	**(37.9)**	**(1.6)**	**15.3**	**1,281.9**
Other non-current liabilities	5.15.4	(13.1)	1.8	0.0	2.4	(8.8)
Gross commitments on residual financial assets (3)	5.13	(102.8)	(1.8)	0.1	(2.3)	(106.8)
Current tax liabilities		(10.7)	0.0	(0.2)	2.5	(8.4)
Trade and other payables	5.15.3	(932.1)	213.2	0.0	(33.7)	(752.5)
Contract liabilities		(63.7)	16.5	-	0.0	(47.2)
Other current liabilities	5.15.3	(124.8)	6.7	0.3	(1.4)	(119.3)
Trade and other operating payables		**(1,247.2)**	**236.4**	**0.2**	**(32.5)**	**(1,043.0)**
Total change in working capital requirements			**198.7**			
Of which Investments in own-booked TMF contracts			**1.5**			
Of which other changes			**197.2**			

* In accordance with IFRS 5, the restatement of the figures for the first half of 2022 reflects the reclassification of operations considered discontinued in the first half of 2023 to net change in cash and cash equivalents from discontinued operations.

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

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

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

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

Net cash flows from investing activities totalled -€18.3 million, primarily reflecting:

- -€5.9 million in net payments related to acquisitions of companies and contingent consideration and deferred liabilities;
- cash outflows of -€12.2 million resulting from investments in property, plant and equipment and intangible assets relating to the Group's IT infrastructure and applications.

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

Net cash flows from financing activities amounted to -€103.9 million, mainly reflecting:

- -€151.1 million for the repayment of the OCEANE bonds;
- -€12.5 million in net changes in commercial paper;
- lease payments in the amount of -€10.6 million related to leases where Econocom is the lessee (buildings and vehicles) and presented here in accordance with IFRS 16;
- the decrease in lease refinancing liabilities of -€8.0 million;
- cash outflows of -€1.8 million relating to treasury share buybacks;
- +90.5 million in net changes in financial liabilities;
- +€1.7 million in dividends received from companies in discontinued operations.

5.21. Related-party transactions

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

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

Since they relate to the compensation conditions of Econocom Group's corporate officers (directors and those delegated with day-to-day management tasks) and directors involved in the general management of the Group, they are decided by the Board of Directors. Certain compensation packages were adjusted over the period to take into account changes to the responsibilities of a number of managers. There have been no material changes in this respect since the disclosures presented in note 23.2 to the 2022 consolidated financial statements.

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

in € millions	Income		Expenses		Receivables		Payables	
	H1 2023	H1 2022	H1 2023	H1 2022	June 2023	Dec. 2022	June 2023	Dec. 2022
Econocom International BV (EIBV)	0.0	0.1	(1.1)	(0.5)	-	-	0.0	0.1
SCI de Dion-Bouton	-	-	(1.6)	(1.4)	2.6	2.5	-	-
SCI JMB	-	-	(0.6)	(0.5)	0.3	0.3	0.1	-
SCI Maillot Pergolèse	-	-	(0.1)	(0.1)	-	-	-	-
APL	-	-	(0.1)	(0.2)	-	0.1	0.0	0.3
Orionisa consulting	-	-	(0.0)	(0.1)	-	-	-	-
Métis	-	-	(0.6)	(0.6)	-	-	1.3	2.0
Total	**0.0**	**0.1**	**(4.1)**	**(3.4)**	**2.9**	**2.9**	**1.4**	**2.4**

5.21.1. RELATIONS WITH COMPANIES CONTROLLED BY JEAN-LOUIS BOUCHARD

SCI de Dion-Bouton, of which Jean-Louis Bouchard is Managing Partner, owns the Puteaux building, the headquarters of Econocom's French activities. It received €1.6 million in rental income for the first half of 2023. In addition, Econocom Group booked receivables of €2.6 million representing the deposits paid by Econocom France SAS to SCI de Dion-Bouton.

Econocom International BV (EIBV) – of which Jean-Louis Bouchard is a Partner – is a non-listed company that directly holds 40.0% of the share capital of Econocom Group SE at 30 June 2023. It invoiced Econocom Group SE and its subsidiaries €1.1 million for services relating to Group's management and coordination in the first half of 2023.

SCI JMB, owner of the Villeurbanne building and of which Jean-Louis Bouchard is Managing Partner, invoiced rents and rental expenses to the Group for a total of €0.6 million for the first quarter of 2023.

Transactions with SCI Maillot Pergolèse, owner of the premises located in Les Ulis, France, of which Jean-Louis Bouchard is a Partner and Robert Bouchard Manager, represent rents and rental expenses in 2023, for €0.1 million.

5.21.2. OTHER RELATIONS WITH RELATED PARTIES

Métis, controlled by Philippe Gouillioud, provided services for an amount of €0.6 million in 2023 (€0.6 million at 30 June 2022). Econocom Products & Solutions SAS also has a €1.3 million debt in respect of compensation and indemnities due.

Econocom Group committed to invest €3 million in investment fund Educapital I FCPI, which is managed by a management company (Educapital SAS), of which Marie-Christine Levet, an independent Director on the Econocom Group Board of Directors, is chairwoman and shareholder. As of 30 June 2023, a total of €2.6 million had already been called.

5.22. Subsequent events

There were no significant post-balance sheet events.

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