



HUMAN RESOURCES MANAGEMENT

2021
HALF YEAR
FINANCIAL REPORT
30 JUNE



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- PERIOD FROM 1 JANUARY
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ACTIVITY REPORT

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HALF-YEAR GROUP ACTIVITY REPORT AS AT 30 JUNE 2021

The Executive Board of SYNERGIE, which met on 20 September 2021 under the chairmanship of Victorien VANEY, approved the 2021 consolidated half-year financial statements.

A limited review was performed of these interim financial statements. The report of this limited review by the statutory auditors is currently being issued.

Overview

The first half of 2021 was marked by a sharp increase in economic activity in all regions in which the Group operates, with a very moderate and mainly regional impact from the lockdown measures relating to the health environment.

1. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

1.1 Key figures

In € thousand	30 june 2021	30 june 2020
Turnover	1,280,551	1,000,637
Ebitda	69,249	39,869
Current operating profit ⁽¹⁾	57,870	30,023
Operating profit	55,382	24,532
Financial result	(1.234)	(966)
Profit before tax	746	(920)
Tax expenses ⁽²⁾	(19,535)	(12,628)
Net profit of consolidated companies	35,358	10,018

⁽¹⁾ profit before interest, tax, depreciation and amortisation

⁽²⁾ current operating profit before amortisation and impairment of intangible assets linked to acquisitions

The financial statements are presented in accordance with IFRS.

All documents comprising the half-year financial statements are presented in thousands of euros.

Scope

There were no changes in the consolidation scope over the period.

The Group nevertheless made several acquisitions of non-controlling interests, details of which are provided in Note 2 of the consolidated financial statements.

SYNERGIE increased its stake in digital services company DCS EASYWARE from 66% to 100%, forging ahead with its expansion on the fast-growing digital services market, with an offering that includes IT infrastructure management activities, facilities management, advisory and technical assistance, as well as the assignment of highly qualified personnel.

With the acceleration of the digital transformation of companies being underpinned by economic stimulus plans in France and Europe, DCS is targeting turnover of €100 million by 2023.

1.2 Turnover

Turnover breaks down as follows:

In € thousand	30 june 2021	30 june 2020	30 june 2019	Change 21/20	Change 21/19
France	542,253	454,029	630,812	19,4%	-14,0%
Italy	299,470	191,655	217,522	56,3%	37,7%
Spain, Portugal	118,576	91,542	111,782	29,5%	6,1%
Southern Europe	418,046	283,197	329,305	47,6%	26,9%
Belgium	125,688	105,296	133,204	19,4%	-5,6%
Others Northern and Eastern Europe	161,331	128,340	163,156	25,7%	-1,1%
Northern and Eastern Europe	287,019	233,636	296,360	22,8%	-3,2%
Canada, Australia	33,233	29,775	39,152	11,6%	-15,1%
International	738,298	546,609	664,816	35,1%	11,1%
Total	1,280,551	1,000,637	1,295,628	28,0%	-1,2%
of which digital services	33,967	31,278	22,894	8,6%	48,4%

The trend by quarter is as follows:

In € thousand	30 june 2021	30 june 2020	30 june 2019	Change 21/20	Change 21/19
First Quarter turnover	593,802	576,523	621,239	3,0%	-4,4%
Second Quarter turnover	686,750	424,114	674,389	61,9%	1,8%
TOTAL	1,280,551	1,000,637	1,295,628	28,0%	-1,2%

After a sharp acceleration in activity in the second quarter (+61.9%), SYNERGIE posted consolidated turnover of €1,280.5 million on a like-for-like basis (up 28% on 2020).

Thanks to the diversification strategy implemented in all countries in which it operates, the Group succeeded in generating a very similar level of first-half activity to that of 2019 (€1,295.6 million).

New positions were won in growth sectors (logistics, call centers, healthcare, agri-food, environment, digital technology and activities relating to urban transformation), confirming also an increase in the hiring of temporary employees by companies to meet their needs in terms of flexibility and agility.

Our subsidiaries that specialise in the digital services sector made turnover of €34 million, an increase of 9% over the period, bearing out SYNERGIE's decision to increase its stake in DCS EASYWARE to 100% in June 2021.

France

H1 turnover in France came in at €542.2 million (€518.8 million excluding digital services). Over and above the diversification implemented, a sharp recovery is expected in historically important sectors such as aeronautics.

International

Activity during the first half of the year was again boosted by international business, which reached €738.3 million and accounts for nearly 58% of consolidated turnover, with very strong growth in Northern Europe (+22.8%) as well as Southern Europe (+47.6%) where Italy played a driving role, reaching turnover of €299.5 million and now representing more than 23% of the Group's activity.

Southern Europe

Our Italian subsidiary saw a further acceleration in its expansion, boosted by its nationwide coverage and diversification. This enabled it to generate turnover of €299 million and to set a target of €600 million in full-year 2021.

Meanwhile, activity in the Iberian Peninsula increased by an overall 29.5%, with significant developments in Spain, mainly in services around the tourism sector, which draw significantly on flexible labour and generate multiple jobs.

Benelux

The Benelux countries saw an increase in turnover of 19.4% to €147.7 million (including €125.7 million relating to Belgium).

Northern and eastern Europe

The United Kingdom (up 18%), Germany (up 23.5%) and particularly Austria (up 43.7%), which saw a significant impact on industry in 2020, turned in solid performances and show promising prospects.

The activity of the other countries in this zone (Switzerland and Eastern European countries) is less significant, while Switzerland is starting to benefit from a recovery in certain sectors which is helping to limit the impact from the building sector.

International markets outside Europe

Activity is grouped into two divisions:

- Australia, which generated a like-for-like increase in turnover of 11.8% despite renewed lockdown measures, and for which certain key accounts significantly increased their use of temporary workers again.

- Canada, where the expansion of the logistics, transport and healthcare activities did not make up for the fall in the industrial sector, and thus saw turnover limited to €8.2 million compared with €8.9 million in 2020.

1.3 Ebitda and current operating profit (before amortisation and impairment of intangible assets)

In € thousand	Ebitda				
	30 june 2021	30 june 2020	30 june 2019	Change 21/20	Change 21/19
France	36,931	18,969	38,920	94,7%	-5,1%
Italy	17,873	9,422	10,932	89,7%	63,5%
Spain, Portugal	2,662	972	1,851	173,8%	43,8%
Southern Europe	20,535	10,395	12,784	97,6%	60,6%
Belgium	7,230	5,863	9,040	23,3%	-20,0%
Others Northern and Eastern Europe	2,498	1,657	3,213	50,8%	-22,2%
Northern and Eastern Europe	9,728	7,520	12,253	29,4%	-20,6%
Canada, Australia	2,054	2,985	881	-31,2%	133,0%
International	32,317	20,899	25,918	54,6%	24,7%
Total	69,249	39,869	64,838	73,7%	6,8%
of which digital services	3,836	3,566	2,641	7,6%	45,2%

In € thousand	Current operating profit (before depreciation and impairments of intangibles)				
	30 june 2021	30 june 2020	30 june 2019	Change 21/20	Change 21/19
France	31,100	13,805	34,068	125,3%	-8,7%
Italy	16,319	8,124	9,438	100,9%	72,9%
Spain, Portugal	1,950	533	1,318	266,2%	48,0%
Southern Europe	18,269	8,656	10,755	111,0%	69,9%
Belgium	5,804	4,873	7,660	19,1%	-24,2%
Others Northern and Eastern Europe	,987	326	1,706	202,7%	-42,1%
Northern and Eastern Europe	6,791	5,199	9,366	30,6%	-27,5%
Canada, Australia	1,710	2,363	359	-27,6%	376,5%
International	26,771	16,218	20,480	65,1%	30,7%
Total	57,870	30,023	54,548	92,8%	6,1%
of which digital services	3,355	3,193	2,247	5,1%	49,3%

During the first half of 2021, SYNERGIE generated Ebitda of €69.2 million compared with €39.9 million in 2020 and current operating profit of €57.9 million compared with €30 million in 2020.

High levels of activity and very strict management of expenditure during the health crisis allowed it to return to a level higher than in 2019 (Ebitda of €64.8 million and current operating profit of €54.5 million).

The investment made over several years in the recruitment of expert consultants as well as in the training of temporary and permanent personnel together with the ongoing

employment measures were key factors in being able to benefit better from the recovery and the growing digitalisation of systems and processes.

The contribution from the digital services group, DCS, remained at a high level, with current operating profit reaching more than 10% of turnover.

Depreciation and amortisation (excluding the impact of IFRS 16) were maintained at a similar level to 2020 (€3.7 million).

The client loss ratio came to just 0.13% of turnover (compared with 0.11% in 2020) with strict management of client credit in all regions.

1.4 Operating profit

Operating profit reached €55.4 million compared with €24.5 million in 2020, attributable to amortisation and impairment of intangible assets linked to acquisitions and other operating income and expenses.

Amortisation and impairment of intangible assets acquired, excluding restatements linked to IFRS 16, reached €2.8 million versus €3.2 million in 2020.

No one-off impairments were recognised.

Other non-current income and expenses were not material.

1.5 Financial result

The cost of net financial debt (€1.2 million) rose slightly in relation to 2020, when financial expenses linked to the repayment of loans had been deferred.

Exchange rate parity, including that of the euro versus the pound sterling, gave rise to a gain of €0.7 million at the period closure date.

1.6 Net profit

Consolidated net profit reached €35.4 million at 30 June 2021 (versus €10 million at 30 June 2020) with the Group share of net profit reaching €32.7 million.

This difference stems from the items set out above and corporate income tax of €19.5 million versus €12.6 million in 2020.

In France, the tax expense incorporates the CVAE (value added contribution for businesses) which amounted to €3.7 million for the first six months of the year (compared with €6.1 million at 30 June 2020).

2. FINANCIAL STRUCTURE

In € thousand	30 June 2021	31 Dec 2020	30 June 2019
Consolidated shareholders' equity	533,902	583,465	552,859
Net cash position	213,623	227,745	241,361
Financial debt excluding IFRS 16	173,709	182,335	194,747
Leasing liabilities	(68,839)	(69,331)	(45,032)
Cash position net or any debt	104,870	113,005	149,715
Cash position including CICE	186,405	200,305	254,678
Self-financing capacity	50,143	78,329	28,194
Change in working capital requirement	14,661	49,900	100,013
"Industrial" investments	3,090	4,300	2,831
Cost of net debt/turnover	0,10%	0,10%	0,10%

The performances achieved at the height of the crisis in 2020 and 2021 and the positive variation in the working capital requirement helped to strengthen the Group's financial structure, most notably the following items:

- Consolidated shareholders' equity stood at €533.9 million (of which Group share of €531.2 million), with the change in relation to 31 December 2020 attributable to the distribution of dividends (€21.8 million), net profit for the period (+€35.4 million) and the acquisition of non-controlling interests for €63.8 million.
- Cash net of bank debt is still substantially positive at €213.6 million, with a beneficial effect from good management of client credit.
- Net cash after taking account of all debt stands at €209.8 million, incorporating CICE receivables that will be collected or become available in the short term (€73 million).

This solid financial situation means the Group has the necessary resources to pursue its development and to carry out new acquisitions, outside of France in particular.

At 30 June 2021, SYNERGIE SE had 378,431 treasury shares, including 25,968 under the liquidity contract and 352,463 as part of the share buyback programme approved by the Shareholders' Meeting of 24 June 2021.

3. MAIN RISKS AND UNCERTAINTIES FACED OVER THE NEXT SIX MONTHS

3.1 Economic risk

Economic risks linked to the health environment remain but to a much lesser extent, while there has been an increase in the use of flexible labour.

Moreover, client risk continues to be watched very closely given that the risk around company bankruptcies is stronger in the second half of the year if there is an easing of the support measures provided to companies experiencing cash shortfalls.

The fact that SYNERGIE Group's clients are well dispersed and diversified (only two clients contribute more than 1% of consolidated turnover) is also a factor that mitigates this risk.

3.2 Other risks

An assessment of the other risks and uncertainties to which SYNERGIE is exposed is provided in the 2020 annual report and has not changed.

The following is a reminder of the main risks identified.

3.2.1 Liquidity risk

Given the Group's cash position at 30 June 2021, underpinned by the collection in the short term of the CICE receivables recognised under its assets and prudent management of investments, liquidity risk can be ruled out in the short term.

3.2.2 Foreign exchange risk

Activity outside the Eurozone accounted for 8.2% of consolidated turnover as at 30 June 2021 (compared with 9.1% as at 30 June 2020).

Our expansion in the UK through acquisitions, partly financed by current account contributions, has made the Group more sensitive to exchange rate fluctuations.

Brexit had an impact on the euro/pound sterling exchange rate and gave rise to the recognition of a financial gain to reflect the impact of an increase in value of pound sterling-denominated current accounts, which will be updated in the 2021 annual financial statements on the basis of the exchange rate on 31 December.

3.2.3 Interest rate risk

Loans requiring repayment at 30 June 2021 were more or less all taken out at a fixed rate.

The average interest rate on the Group's loans was 0.99% over the period.

3.2.4 Risk relating to Brexit

The decision by the UK to leave the European Union ("Brexit"), taken by referendum on 23 June 2016, and the events that marked the subsequent periods, could have a negative impact on the economy, the financial markets and the international foreign exchange markets. Legal uncertainties have already emerged concerning the flow of European personnel into the United Kingdom.

Nevertheless, the UK subsidiary contributed just 4.8% of SYNERGIE Group's consolidated turnover in 2021 (5.2% in 2020).

The financial risks have already been shown and the economic risks are set out in Note 4.1 of the consolidated financial statements (impact of changes in discount rates and of growth and Ebit on future cash flows).

3.2.5 Legislative environment

During 2020, the various governments introduced laws to support businesses and employment, with mechanisms enabling short-time work in most countries in which SYNERGIE operates. Some of these measures were extended in 2021, but on a much more limited basis.

We are aware of no other legal developments that would have a significant impact on the 2021 half-year financial statements.

4. MAIN TRANSACTIONS BETWEEN RELATED PARTIES

The acquisition of the remaining 34% interest in DCS EASYWARE in June for €32.5 million constituted a transaction between related parties. The related impacts are set out in Note 2 of the condensed consolidated half-year financial statements.

5. ANTICIPATED DEVELOPMENTS DURING THE YEAR

Having outperformed its forecasts, SYNERGIE Group revised up its 2021 full-year turnover target in July to €2.6 billion.

Its level of activity during the summer confirmed this target.

SYNERGIE is also likely to continue benefiting from the diversification measures it implemented and the acceleration of the transformation and greening of the economy, for which the support measures aimed at industries and services in which it has a significant presence, such as renewable energies, healthcare, transport, aeronautics and the automotive industry, are set to promote the energy renovation of buildings.

6. EVENTS AFTER THE REPORTING PERIOD

No significant events likely to affect the financial statements for the first half of 2021 took place after the end of the reporting period.

7. FINANCIAL PUBLICATIONS IN 2021

The financial data as at 30 September 2021 will be published on 27 October 2021 (after market).

CONSOLIDATED FINANCIAL STATEMENTS

OF THE SYNERGIE GROUP

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CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS AT 30 JUNE 2021

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Notes N°	30/06/2021	31/12/2020
In € thousand			
Goodwill	4.1	102,404	102,191
Other intangible assets	4.1	41,524	44,823
Property, plant and equipment	4.2	64,921	65,211
Right of use relating to lease contracts	4.2	68,091	68,656
Non-current financial assets	4.3	2,995	43,194
Deferred tax assets	6.2	4,377	3,598
Non-current Assets		284,312	327,672
Trade receivables	4.4	572,665	508,049
Other receivables	4.5	129,201	99,097
Cash and cash equivalents	4.6	232,013	256,752
Current Assets		933,879	863,898
Total Assets		1,218,191	1,191,570

Liabilities	Notes N°	30/06/2021	31/12/2020
In € thousand			
Share capital	4.7	121,810	121,810
Reserves and carryforwards		376,575	404,258
Consolidated net profit		32,727	38,278
Non-controlling interests		2,791	19,119
Shareholders' equity	4.7	533,902	583,465
Provisions and payables for employee benefits	4.9	6,928	6,220
Non-current borrowings	4.8	29,400	34,503
Medium and Long-term lease debt	4.8	57,454	57,877
Other non-current liabilities	4.10	29,784	
Deferred tax liabilities	6.2	11,440	12,341
Non-current Liabilities		135,006	110,940
Provisions		1,061	753
Current borrowings	4.8	10,514	10,906
Short-term lease debt	4.8	11,385	11,454
Current bank debt	4.8	18,390	29,007
Trade payables	4.11	23,185	24,357
Tax and social security payables	4.12	460,715	402,260
Other payables	4.12	24,033	18,427
Current Liabilities		549,283	497,164
Total Liabilities		1,218,191	1,191,570

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2.1 Consolidated income statement

In € thousand	Notes N°	30/06/2021	30/06/2020
Revenue	5.2	1,280,551	1,000,637
Other income		5,215	5,374
Purchases		194	44
Personnel costs	5.4	(1,146,011)	(901,569)
External expenses		(41,109)	(39,985)
Taxes and similar levies		(27,531)	(23,583)
Depreciation and amortisation		(11,378)	(9,846)
Provisions		(2,000)	(1,143)
Inventory change of goods			369
Other expenses		(61)	(276)
Current operating profit before amortisation and impairment of intangible assets	5.3	57,870	30,023
Amortisation of intangible assets related to acquisitions		(2,809)	(3,176)
Impairment of intangible assets related to acquisitions			(2,236)
Current operating profit		55,062	24,611
Other operating income and expenses		320	(80)
Operating profit		55,382	24,532
Income from cash and cash equivalents		323	231
Cost of gross financial debt		(1,556)	(1,197)
Cost of net financial debt	5.5	(1 234)	(966)
Other financial income and expenses	5.5	746	(920)
Net profit before tax		54,894	22,645
Tax expense	6.1	(19,535)	(12,628)
Consolidated net profit		35,358	10,018
Group share		32,727	8,912
Non-controlling interests		2,632	1.106
Earnings per share (in €) (*)		1,34	0,37
Diluted earnings per share (in €) (*)		1,36	0,37

(*) Net profit Group share divided by 24,362,000 shares.

2.2 Statement of net profit and gains and losses recognised directly in shareholders' equity

In € thousand	30/06/2021	30/06/2020
Net profit	35,358	10,018
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	493	(441)
Liquidity contract	208	(217)
Subtotal of recyclable gains and losses	700	(658)
Actuarial differences net of tax	(199)	291
Subtotal of non-recyclable gains and losses	(199)	291
Total gains and losses recognised directly in shareholders' equity	502	(366)
Net comprehensive income	35,860	9,651
Group share of total comprehensive income	33,227	8,554
Non-controlling interests' share of total comprehensive income	2,633	1,097

3. CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousand	Notes N°	30/06/2021	31/12/2020	30/06/2020
Consolidated net profit		35,358	41,289	10,018
Derecognition of expenses and income without an impact on cash or not related to business activity		17	28	1
Depreciation, amortisation and provisions		6,523	19,467	9,296
Cost of financial debt		564	904	945
Deferred tax position		(1,566)	149	1 480
IFRS 16 rents restatement		8,445	15,947	6,597
Other expenses and income not generating short-term flows		801	546	(142)
Self-financing capacity		50,143	78,329	28,194
Change in working capital requirement	7	14,661	49,909	100,013
Net cash flow from operating activities		64,804	128,238	128,207
Purchases of fixed assets		(3,085)	(4,336)	(2,531)
Sales of fixed assets		38	57	22
Sales of non-current financial assets		238	-	(19)
Impact of changes in scope (and price supplements) ⁽¹⁾	2	(39,607)	-	-
Cash flow from investments activities		(42,416)	(4,279)	(2,528)
Dividends paid out to shareholders of the Parent Company	4.7	(19,188)	-	-
Dividends paid out to minority shareholders of the consolidated companies		(2,654)	(2,024)	(1,526)
Purchase of treasury shares		(283)	138	71
Loan issues	4.8		1,650	87
Loan repayments	4.8	(5,376)	(6,146)	(2,425)
Lease liabilities repayments		(7,776)	(14,568)	(6,193)
Net interests paid on lease liabilities	5.5	(670)	(1,379)	(405)
Cost of net financial debt	5.5	(564)	(904)	(945)
Net cash flow from financing activities		(36,510)	(23,233)	(11,335)
Change in net cash position		(14,122)	100,727	114,343
Opening cash position	4.8	227,744	127,018	127,018
Closing cash position	4.8	213,622	227,744	241,361

⁽¹⁾ disbursements related to the acquisition of minority interests

4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consolidated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
Position at 01/01/2020	121,810	12,181	(3,885)	393,638	1,130	524,875	19,797	544,672
Appropriation of earnings n-1	-	-	-	-	-	-	-	-
IFRS 9 restatement	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(2,522)	(2,522)
Transactions on treasury shares	-	-	115	-	23	138	-	138
Overall net profit for the year	-	-	-	38,278	-	38,278	3,012	41,290
Currency translation adjustment	-	-	-	-	(467)	(467)	(13)	(480)
Change in scope	-	-	-	1,180	342	1,522	(1,155)	367
Position at 31/12/2020	121,810	12,181	(3,770)	433,096	1,028	564,346	19,119	583,465
Position at 01/01/2021	121,810	12,181	(3,770)	433,096	1,028	564,346	19,119	583,465
Appropriation of earnings n-1	-	-	-	-	-	-	-	-
IFRS 9 restatement	-	-	-	-	-	-	-	-
Dividends	-	-	-	(19,188)	-	(19,188)	(2,156)	(21,343)
Transactions on treasury shares	-	-	(491)	-	208	(284)	-	(284)
Overall net profit for the year	-	-	-	32,727	-	32,727	2,632	35,358
Currency translation adjustment	-	-	-	-	491	491	1	493
Change in scope	-	-	-	(46,783)	(199)	(46,982)	(16,805)	(63,787)
Position at 30/06/2021	121,810	12,181	(4,261)	399,852	1,528	531,111	2,791	533,902

5. NOTES TO THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS

Note 1 Accounting principles and methods

1.1 Overview

The consolidated half-year financial statements at 30 June 2021 were approved by resolution of the Executive Board on 20 September 2021.

They comprise the condensed consolidated half-year financial statements which do not include all of the notes required for the annual financial statements but rather a selection of explanatory notes. They should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2020, as shown in the annual report.

They have been approved in accordance with IAS 34 (interim financial reporting) and with the rules and principles established under the IFRS as adopted by the European Union.

1.2 Accounting principles and methods applicable to the condensed consolidated half-year financial statements

IFRS, amendments and interpretations applicable from 1 January 2021

Standards, amendments and interpretations whose application became mandatory as of 1 January 2021 and for which no measures were anticipated by the Group:

- Amendment to IFRS 16 – Leases: leasing concessions linked to Covid-19.
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest rate benchmark reform – Phase 2 (published on 27 August 2020).
- Amendment to IFRS 4 – Insurance Contracts – extension of temporary exemption from applying IFRS 19 (published on 25 June 2020).

These amendments had no significant impact on the 2021 financial statements.

IFRS, amendments and interpretations applicable after 2021 and for which no measures are anticipated by the Group

The Group did not anticipate any measures related to the new standards and interpretations mentioned below which may concern it, the application of which is not mandatory as at 1 January 2021:

- IFRS 17 – Insurance Contracts (applicable from 1 January 2023).
- Amendments to IAS 1 – Presentation of Financial Statements – Classification of liabilities as current or non-current liabilities (applicable from 1 January 2023).
- Amendment to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – loss-making contracts, notion of costs directly related to the contract (applicable from 1 January 2023).
- Amendments to IAS 16 – Property, Plant and Equipment – accounting treatment of proceeds before intended use (applicable from 1 January 2023).
- Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (applicable from 1 January 2023).
- Amendment to IAS 12 – Income Taxes: deferred tax assets and liabilities on assets and liabilities arising from a single transaction (applicable from 1 January 2023).
- Annual improvements to IFRS – 2018-2020 cycle.

An examination is under way of the impacts and practical consequences of the application of these amendments and standards; it shows no measures that are contrary to the Group's current accounting practices.

Disclosure of interests in other entities pursuant to IFRS 10, 11 and 12

All entities included in the consolidation scope are controlled by SYNERGIE SE in view of the percentage of voting rights held by the parent company.

In the absence of any agreement, contract or local legal measure limiting the exercise of control, all of these companies have been regarded as controlled within the meaning of IFRS 10 and have been fully consolidated.

The Group is not party to any joint arrangement likely to be accounted for under the provisions of IFRS 11. SYNERGIE is not a stakeholder in any structured entity and does not meet the criteria for investment companies under the regulatory provisions.

There is no significant percentage of non-controlling interests (equity interests that do not confer control) in any subsidiary.

Transactions between the Group and non-controlling interests

When there is a transaction between the Group and a subsidiary's non-controlling interests, an economic analysis of the transaction is carried out based on the criteria set out in IFRS 3, IFRS 10 and IAS 32. Account is taken of the subsidiary's history

of control and the relations between the Group and the non-controlling interests concerned, particular any call and put options that have been agreed.

If it is found that the transaction constitutes a related party transaction, the difference between the acquisition price of the shares and the additional proportion of consolidated shareholders' equity acquired is deducted from the Group share of shareholders' equity.

If it is found that the transaction constitutes a form of remuneration granted in return for services provided, the difference is recognised under personnel expenses pursuant to IFRS 2.

Particular case of put options granted by the Group

The Group follows the work of the IASB and the IFRS IC which could lead to a review of the treatment of put options granted by the Group to non-controlling interests (NCI puts).

In the absence of any specific IFRS directive, the Group applies the AMF recommendations issued in November 2009:

- A liability is recognised at the period end in the amount of the fair value of the strike price;
- This NCI put amount is reflected in the carrying amount of the non-controlling interest in question;
- The difference between the strike price of the NCI put and the carrying amount of the above-mentioned non-controlling interest is reflected in the Group's equity position.

1.3 Main judgements and estimates

The preparation of financial statements in accordance with the IFRS conceptual framework requires the use of estimates and assumptions that affect the amounts reported in these financial statements.

This mainly concerns:

- an evaluation of the recoverable value of the intangible assets;
- calculation of the provisions for risks and charges;
- lease contract terms and restated discount rates pursuant to IFRS 16;
- application of IAS 19;
- an evaluation of the fair value of the NCI put option.

Actual results may differ from these assumptions and estimates.

Note 2 Changes in the consolidation scope

Change in scope

There were no changes in the consolidation scope over the period.

Acquisition of non-controlling interests and put option

The Group nevertheless carried out the following acquisitions from non-controlling interests:

- Finalisation in March 2021 of the acquisition of the remaining shares in Austrian entity VÖLKER GmbH.
- Acquisition of a 5% stake in the Australian subsidiary SYNACO GLOBAL RECRUITMENT Pty which brought the total holding in that company to 95% (March 2021).
- Acquisition of shares in the UK holding company ACORN (SYNERGIE) UK, which brought the total holding in that company to 99.56% (June 2021).
- Acquisition of the remaining shares in the UK entity ACORN GLOBAL RECRUITMENT (June 2021).
- Acquisition of 34% of the digital services company DCS EASYWARE, which brought the total holding in that company to 100% (June 2021).
- A put option on 15% of SYNERGIE ITALIA which would bring the total interest to 100% (April 2021).

SUBSIDIARY CONCERNED	Transactions between partners	Remuneration for services rendered	% held before the operation	% acquired	% post-operation detainee	Transaction value (k €)	Currency	Impact			
								on group equity	on minority equity	Other debts	results
CLOSED TRANSACTIONS											
Völker	X		80,00%	20,00%	100,00%	⁽¹⁾ 5,822	EUR	2,797	(2,797)		
DCS Easyware	X		66,00%	34,00%	100,00%	⁽¹⁾ 32,500	EUR	(24,976)	(7,524)		
Acorn Synergie UK	X		95,00%	4,90%	99,90%	⁽¹⁾ 610	EUR	(386)	(224)		
Acorn Global Recruitment		X	75,00%	25,00%	100,00%	3,232	EUR				3,232
Synaco Global Recruitment	X		90,00%	5,00%	100,00%	^{(1) (2)} 694	EUR	(935)	240		
Synaco Global Recruitment		X		5,00%		387	EUR				387
OUTSTANDING PUT OPTIONS											
Synergie Italy	X		85,00%	15,00%	100,00%		EUR	(23,283)	(6,501)	29,800	
Impact on equity								(46,783)	(16,805)		

⁽¹⁾ Amount of transactions excluding profit impact:

(K€ 39,626)

⁽²⁾ The transaction value of Synco Global Recruitment includes a translation difference:

K€ 19

Impact of changes in scope and price supplement on the Cash Flow Statment:

(K€ 39,607)

Note 3 Information on the consolidated companies

Information on the consolidated companies is provided in the table below, with the understanding that the ISGSY economic interest grouping, which is fully controlled by Group companies, covers general-interest administrative services.

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			June-21	dec-20	June-21	dec-20	June-21	dec-20
PARENT COMPANY								
SYNERGIE S.E.	Paris 75016	329 925 010						
FRENCH SUBSIDIARIES								
AILE MEDICALE	Paris 75016	303 411 458	100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE CONSULTANTS	Paris 75016	335 276 390	100,00	100,00	100,00	100,00	FULL	FULL
DIALOGUE & COMPETENCES	Paris 75016	309 044 543	100,00	100,00	100,00	100,00	FULL	FULL
INTERSEARCH France	Paris 75016	343 592 051	100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE INSERTION	Paris 75016	534 041 355	100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE PROPERTY	Paris 75016	493 689 509	100,00	100,00	100,00	100,00	FULL	FULL
JOINT SUBSIDIARY								
I.S.G.S.Y.	Paris 75016	382 988 076	100,00	100,00	100,00	100,00	FULL	FULL
FOREIGN SUBSIDIARIES								
SYNERGIE ITALIA SPA	Turin ITALY		85,00	85,00	85,00	85,00	FULL	FULL
SYNERGIE BELGIUM	Anvers BELGIUM		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE s.r.o	Prague CZECH REPUBLIC		98,85	98,85	98,85	98,85	FULL	FULL
SYNERGIE TEMPORARY HELP	Prague CZECH REPUBLIC		98,00	98,00	98,00	98,00	FULL	FULL
SYNERGIE TEMPORARY HELP SLOVAKIA	Bratislava SLOVAKIA		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (SIES)	Barcelona SPAIN		100,00	100,00	100,00	100,00	FULL	FULL
SIES SUBSIDIARIES								
DCS EASYWARE	Lyon FRANCE	797 080 397	100,00	66,00	100,00	66,00	FULL	FULL
SYNERGIE TT	Barcelona SPAIN		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE E.T.T.	Porto PORTUGAL		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE Travail Temporaire	Esch/Alzette LUXEMBOURG		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE PARTNERS	Esch/Alzette LUXEMBOURG		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE HUNT INTERNATIONAL	Montréal CANADA		100,00	100,00	100,00	100,00	FULL	FULL
ACORN (SYNERGIE) UK	New port UNITED KINGDOM		99,56	94,67	99,56	94,67	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND	Karlsruhe GERMANY		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE (SUISSE)	Lausanne SWITZERLAND		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE HUMAN RESOURCES	Schijndel NETHERLANDS		100,00	100,00	100,00	100,00	FULL	FULL
VÖLKER BETEILIGUNGS	St. Pölten AUSTRIA		100,00	100,00	100,00	100,00	FULL	FULL

(1) SIREN no.: ID number for French national companies register

(2) Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			June-21	dec-20	June-21	dec-20	June-21	dec-20
SYNERGIE PRAGUE SUBSIDIARY								
SYNERGIE SLOVAKIA	Bratislava SLOVAKIA		78,00	78,00	77,10	77,10	FULL	FULL
SYNERGIE ITALIA SPA SUBSIDIARY								
SYNERGIE HR SOLUTIONS	Turin ITALY		100,00	100,00	85,00	85,00	FULL	FULL
SYNERGIE TT SUBSIDIARY								
SYNERGIE HUMAN RESOURCE SOLUTIONS	Barcelona SPAIN		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE HRS SUBSIDIARY								
SYNERGIE OUTSOURCING	Barcelona SPAIN		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE ETT SUBSIDIARY								
SYNERGIE OUTSOURCING	Porto PORTUGAL		100,00	100,00	100,00	100,00	FULL	FULL
ACORN (SYNERGIE) UK SUBSIDIARIES								
ACORN RECRUITMENT	New port UNITED KINGDOM		100,00	100,00	99,56	94,67	FULL	FULL
ACORN RAIL	"		100,00	100,00	99,56	94,67	FULL	FULL
ACORN GLOBAL RECRUITMENT	"		100,00	75,00	99,56	71,00	FULL	FULL
CONCEPT STAFFING	"		100,00	100,00	99,56	94,67	FULL	FULL
S H R BV SUBSIDIARIES								
SYNERGIE LOGISTIEK BV	Schijndel NETHERLANDS		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE INTERNATIONAL RECRUITMENT BV	Schijndel NETHERLANDS		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE BELGIUM SUBSIDIARY								
SYNERGIE SERVICES	Anvers BELGIUM		-	-	-	-	-	-
ACORN GLOBAL RECRUITMENT SUBSIDIARY								
SYNACO GLOBAL RECRUITMENT PTY	Adelaide AUSTRALIA		95,00	90,00	94,60	63,90	FULL	FULL
SYNACO GLOBAL RECRUITMENT PTY SUBSIDIARIES								
SYNERGIE RESOURCES PTY	Adelaide AUSTRALIA		100,00	100,00	94,60	63,90	FULL	FULL
ENTIRE RECRUITMENT SYNACO PTY	Brisbane AUSTRALIA		100,00	100,00	94,60	63,90	FULL	FULL
SYNERGIE SUISSE SUBSIDIARY								
SYNERGIE INDUSTRIE & SERVICES	Milvignes SWITZERLAND		100,00	100,00	100,00	100,00	FULL	FULL
VÖLKER BETEILIGUNGS SUBSIDIARY								
VÖLKER	St. Pölten AUSTRIA		100,00	100,00	100,00	100,00	FULL	FULL
DCS EASYWARE SUBSIDIARIES								
DCS BELGIUM	Brussels BELGIUM		100,00	100,00	100,00	66,00	FULL	FULL
DCS IT IBERICA	St Cugat del Valles SPAIN		100,00	100,00	100,00	66,00	FULL	FULL
DCS IBERICA SUBSIDIARIES								
SEIN	Pamplona SPAIN		100,00	100,00	100,00	66,00	FULL	FULL
CONTIGO	"		100,00	100,00	100,00	66,00	FULL	FULL
TRES60	"		100,00	100,00	100,00	66,00	FULL	FULL

(1) SIREN no.: ID number for French national companies register

(2) Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM

4.1 Intangible assets

An impairment test is conducted at least once a year on unamortised intangible assets and goodwill and whenever there is an indication of an impairment loss. The value-in-use is calculated by discounting the future cash flows that will be generated by the assets being tested, based on a discount rate of between 8.07% and 9.39% depending on the country.

These cash flows are determined on the basis of economic assumptions and forecast operating conditions which give rise to re-estimated forecasts proposed by the Operational Division of the subsidiary concerned, which are reviewed and approved by the Group Management.

Impairment tests were carried out on 30 June 2021 which gave rise to no impairment write downs.

A sensitivity analysis was performed to establish the consequences of changing the above parameters on goodwill impairment, testing:

- A 0.5% increase in the discount rate;
- A 1% decrease in the growth rate.

A 0.5% increase in the discount rate together with a 1% decrease in the perpetual growth rate would result in additional impairment of €2,493 thousand, which breaks down as follows:

In € thousand	30/06/2021
France	
Southern Europe	
Northern and Eastern Europe	2,493
Canada / Australia	
Total	2,493

The impact of impairment following an increase in the discount rate and a decrease in the growth rate concerns the German activities.

- A decrease in the EBIT rate

Additional impairment of €381 thousand would be recorded if the EBIT rate declined by 5%; it would break down as follows:

In € thousand	30/06/2021
France	
Southern Europe	
Northern and Eastern Europe	381
Canada / Australia	
Total	381

The impact of impairment following a decrease in the EBIT rate concerns the German activities.

The following changes in key assumptions underlying turnover projections would have the effect of matching the value-in-use with the net book value:

Country	headroom (In € thousand)	Cumulated increase in turnover projected ⁽¹⁾	Cumulated increase in turnover required ⁽²⁾
Allemagne	684	40%	40%

(1) Cumulative increase in sales retained in the BP from 2021 to 2026 (used for the terminal value).

(2) Cumulative increase in turnover necessary for the recoverable amount to equal the book value of the CGU.

4.1.1 Goodwill

The changes in goodwill recorded in the balance sheet are as follows:

In € thousand	31/12/2020	Increase	Decrease (*)	30/06/2021
Goodwill on securities	97,767	139		97,906
Business	4,424	74		4,498
Net goodwill	102,191	213		102,404

(*) Translation gains or losses

4.1.2 Other intangible assets

Changes in the gross values break down as follows:

In € thousand	31/12/2020	Scope entries	Increase (*)	Decrease	30/06/2021
Software and licences	14,228	-	360	9	14,579
Client base	70,818	-	363	-	71,181
Brands	16,759	-	143	-	16,902
Rights to leases	446	-	-	-	446
Total	102,251	-	866	9	103,108

(*) of which translation gains of €575 thousand

The changes in impairment are analysed as follows:

In € thousand	31/12/2020	Scope entries	Increase (*)	Decrease	30/06/2021
Software and licences	10,326	-	815	-	11,141
Client base	36,563	-	3,097	-	39,659
Brands	2,644	-	10	-	2,655
Rights to leases	-	-	-	-	-
Total	49,533	-	3,922		53,455

(*) of which translation gains of €307 thousand

The changes in impairment are analysed as follows:

In € thousand	31/12/2020	Scope entries	Increase (*)	Decrease	30/06/2021
Software and licences	-	-	-	-	-
Client base	4,967	-	102	-	5,069
Brands	2,928	-	133	-	3,061
Rights to leases	-	-	-	-	-
Total	7,895	-	234		8,129

(*) translation gains of €234 thousand

The net values are analysed as follows:

In € thousand	30/06/2021	31/12/2020
Software and licences	3,438	3,902
Client base	26,453	29,288
Brands	11,187	11,186
Rights to leases	446	446
Total	41,524	44,822

The client bases of the companies acquired are amortised on a straight-line basis over their estimated useful life, while brands tend to be amortised when the useful life has been defined.

The "Brands" item represents the brands acquired and operated by SYNERGIE Group.

4.2 Property, plant and equipment and rights of use

4.2.1 Breakdown of the item by category

The changes in gross value are analysed as follows:

In € thousand	31/12/2020	Scope entries	Increase	Decrease	30/06/2021
Land, buildings and technical facilities	50,494	-	237	9	50,722
Fixtures, furniture, office equipment & computer equipment	49,063	-	2,853	1,387	50,530
Total	99,557	-	3,090	1,395	101,252
of which fixed assets under finance leases	2,300	-	-	-	2,300

The changes in impairment are analysed as follows:

In € thousand	31/12/2020	Scope entries	Increase	Decrease	30/06/2021
Land, buildings and technical facilities	4,863	-	497	10	5,350
Fixtures, furniture, office equipment & computer equipment	29,483	-	2,529	1,031	30,981
Total	34,346	-	3,026	1,042	36,330
of which fixed assets under finance leases	116	-	12	-	128

The net values are analysed as follows:

In € thousand	30/06/2021	31/12/2020
Land, buildings and technical facilities	45,373	45,631
Fixtures, furniture, office equipment & computer equipment	19,548	19,579
Total	64,921	65,211
of which fixed assets under finance leases	2,172	2,184

4.2.2 Rights of use relating to lease contracts

Since 1 January 2019, the Group has applied IFRS 16 - Leases, which is reflected as follows:

- In the balance sheet, the entry of rights of use (operating lease contracts under IAS 17) under assets and lease obligations under liabilities;
- In the income statement, the elimination of corresponding rental amounts and their replacement by the amortisation of rights of use and interest expenses relating to leasing commitments.

The changes in gross value are analysed as follows:

In € thousand	31/12/2020	Increase	Decrease	Revaluations	30/06/2021
Real estate	78,685	5,059	1,128	-	82,616
Vehicules and other	9,088	2,441	2,869	-	8,660
Net value	87,773	7,500	3,997	-	91,276

The changes in impairment are analysed as follows:

In € thousand	31/12/2020	Increase of Depreciation costs	Reversal/ Assets sales	30/06/2021
Real estate	17,403	5,333	892	21,843
Vehicules and other	1,714	2,338	2,710	1,342
Net value	19,117	7,671	3 603	23,185

The net values are analysed as follows:

In € thousand	31/12/2020	Reclassification	Change in the period	30/06/2021
Real estate	61,282	-	(509)	60,773
Vehicules and other prop.	7,374	-	(56)	7,318
Net value	68,656	-	(565)	68,091

4.3 Non-current financial assets

The changes in non-current financial assets break down as follows:

In € thousand	31/12/2020	Scope entries	Increase	Decrease	30/06/2021
Investments in associates	-	-	-	-	-
Other equity investments	225	-	-	-	225
Other fixed investments	63	-	181	25	220
Loans	99	-	-	-	99
Other financial assets	42,807	-	2,172	42,527	2,451
Total	43,194	-	2,353	42,552	2,995

At 30 June 2021, other financial assets mainly included security deposits on commercial rents.

The CICE receivables balance is now due in the short term and is therefore recognised in the "Other receivables" item.

4.4 Trade receivables

Trade receivables and related accounts break down as follows:

In € thousand	30/06/2021	31/12/2020
Clients	580,440	516,176
Unbilled revenue	10,795	8,999
Impairment	(18,570)	(17,126)
Total	572,665	508,049

The impact of IFRS 9 on profit before tax is -€205 thousand:

At 1 January 2021:	€1,948 thousand
At 30 June 2021:	€2,153 thousand
Impairment	€ 205 thousand

4.5 Other receivables

The other receivables item breaks down as follows:

In € thousand	30/06/2021	31/12/2020
Employee-related liabilities	4,412	2,126
Social security and other benefits	22,137	23,079
Corporate income tax	77,149	47,812
Other taxes	12,290	14,595
Sundry debtors	5,792	6,764
Prepaid expenses	8,906	6,167
Total other receivables - Gross value	130,686	100,543
Provision for impairment	(1,485)	(1,446)
Total others receivables - Net value	129,201	99,097

The “Corporate income tax” item mainly comprises the balance of the CICE receivable for 2017 (€41,282 thousand), which is expected to be paid during the second half of 2021, and the remainder of the 2018 receivable (€32,235 thousand).

4.6 Cash and cash equivalents

In € thousand	30/06/2021	31/12/2020
Term deposits	16,926	18,336
Available cash	215,086	238,416
Cash recorded as assets (*)	232,013	256,752

(*) Net cash is presented in Note 4.8.3.

Pursuant to IAS 7, deposits and term accounts (€16.9 million) were classified as cash and cash equivalents due to their liquidity (option of sale at any time without any substantial financial penalty) and the lack of a risk of loss.

They are measured at fair value at the year end.

4.7 Shareholders' equity

4.7.1 Share capital

At 30 June 2021, the share capital amounted to €121,810,000, comprising 24,362,000 shares with a par value of €5 each.

The shares have double voting rights attached when they are maintained in registered form for at least two years.

4.7.2 Appropriation of earnings in 2020

The Shareholders' Meeting of 24 June 2021 approved the proposed dividend payment of €19,490 thousand, but since treasury shares held on the payment date were not eligible for this dividend, there was an effective payment of €19,188 thousand.

4.8 Financial liabilities

No new loans were taken out during the period. Loan repayments came to €5,376 thousand.

The Group did not apply for any state-guaranteed loans.

4.8.1 Non-current loans and borrowings

In € thousand	Total		1 yr << 5 yrs		> 5 yrs	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Lending institutions	27,416	32,420	23,653	26,984	3,763	5,437
Other loans and borrowings	1,984	2,083	1,645	1,647	339	435
Non-current financial debts	29,400	34,503	25,298	28,631	4,102	5,872
Medium and long-term rental debts	57,454	57,877				
Total	86,854	92,380				

(*) Miscellaneous loans and borrowings mainly concern financial debt relating to a building.

4.8.2 Current loans and borrowings

In € thousand	30/06/2021	31/12/2020
Lending institutions	10,055	10,426
Other loans and borrowings	459	480
Current financial debts	10,514	10,906
Short-term rental debts	11,385	11,454
Total	21,899	22,360

4.8.3 Current bank debt and net cash

In € thousand	30/06/2021	31/12/2020	30/06/2020
Bank debt	18,354	28,969	10,756
Accrued interest	36	38	33
Total	18,390	29,007	10,789
Cash and cash equivalents	232,013	256,752	252,150
Net cash position	213,622	227,745	241,361

4.8.4 Off balance sheet financial commitments

The Group pledged no significant off-balance-sheet financial commitments.

4.9 Provisions

4.9.1 Provisions and payables for employee benefits

The pension commitments of permanent personnel in relation to their defined benefit schemes are valued according to the projected unit credit method, pursuant to IAS 19; the following assumptions were used as at 30 June 2021:

- Salary increase rate: 1.49%
- Personnel turnover rate: calculated by age bracket
- Social security contribution rate: 45%
- Life expectancy table: TU-TD2012-2016 of February 2018
- Discount rate (based on iBoxx indices): 0.85%
- Estimate based on average retirement age of 65 years
- Departure at the employee's initiative
- Retroactive application.

In € thousand	30/06/2021	31/12/2020	Change
Retirement severance payment (France)	6,225	5,580	646
Severance payments in Germany and Austria	378	412	(34)
Severance payments (trattamento di fine rapporto) in Italy	228	225	3
Total provisions for employee benefits	6,832	6,217	615
Employee profit-sharing +1yr	96	3	93
Total	6,928	6,220	708

4.9.2 Provisions for current risks and charges

The risks and charges item is not material.

4.10 Other non-current liabilities

The other non-current liabilities heading, amounting to €29,784 thousand, corresponds to the fair value valuation of a non-controlling interest put option.

4.11 Trade payables and related accounts

Trade payables and related accounts break down as follows:

In € thousand	30/06/2021	31/12/2020
Suppliers	14,771	14,244
Invoices to be received	8,414	10,114
Total	23,185	24,357

4.12 Other current liabilities

Other liabilities, accruals and deferred income break down as follows:

In € thousand	30/06/2021	31/12/2020
Tax and social security payables	460,715	402,260
Liabilities on fixed asset and related	3,895	9,382
Other debts, account payable and credit notes to be issued	19,636	8,635
Deferred revenue	502	410
Total	484,748	420,687

Note 5 Income statement and segment information

5.1 Impact of the government measures relating to Covid-9

The application of the various government measures introduced in 2020 to deal with the Covid-19 crisis had no material impact on SYNERGIE's 2021 consolidated half-year financial statements.

SUBSIDIARIES CONCERNED	Aid name	Impacted income item	Amount recognized in P&L (in K €)	Amount received at closing	Remains to be received
Synergie SE	Wage subsidy scheme for reduced activity	Salaires	1,511	1,057	454
Synergie Italia	Wage Guarantee Fund	Salaires	1,300	900	400
Synergie Hunt International - Canada	Wage subsidies	Autres revenus	2,013	1,721	292
	Rent subsidies	Autres revenus	53	53	-
Synergie ETT - Portugal	Simplified lay off	Subventions	7	7	-
	Exceptional support measures for citizens	Subventions	36	36	-
	Extraordinary Incentive Measure for the Standardization of Business Activity	Subventions	1	1	-
Acorn Recruitment - UK	Coronavirus Retention Scheme - Temp Staff	Salaires	81	80	2
	Coronavirus Retention Scheme - Perm Staff	Salaires	8	8	-
	Rates Relief	Charges salariales	24	24	-
Synergie Personal Deutschland	Partial unemployment benefit	Salaires	83	68	15
Synaco Global Recruitment - Australia	Jobkeeper initiatives	Salaires	97	97	-
TOTAL			5,213	4,050	1,163
		Impact on salaries and charges	3,104		
		Impact on subsidies and others	2,109		

5.2 Turnover

Turnover comprises billing for human resources management services and for services provided by the digital services group DCS, whose holding company is DCS EASYWARE.

At 30 June 2021, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, digital services, etc.) of €52,707 thousand, or 4.1% of consolidated turnover.

For the time being, however, these activities are still being developed by the Group and as such are not material and do not represent a distinct business segment.

5.3 Segment information

Income statement items

In € thousand	Turnover		Current operating profit (*)	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
France	542,253	454,029	31,100	13,805
Italy	299,470	191,655	16,319	8,124
Spain, Portugal	118,576	91,542	1,950	533
southern Europe	418,046	283,197	18,269	8,656
Belgium	125,688	105,296	5,804	4,873
Other North and East Europe	161,331	128,340	987	326
Northern and Eastern Europe	287,019	233,636	6,791	5,199
Canada, Australia	33,233	29,775	1,710	2,363
International	738,298	546,609	26,771	16,218
Total	1,280,551	1,000,637	57,870	30,023
of which digital services	33,967	31,278	3,355	3,193

(*) Current operating profit is shown before amortisation and impairment of intangible assets linked to acquisitions.

In € thousand	Depreciations		Impairments	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
France	5,831	5,165	241	(525)
Italy	1,554	1,298	708	1,276
Spain, Portugal	712	440	292	347
southern Europe	2,266	1,738	1,000	1,623
Belgium	1,426	990	11	(25)
Other North and East Europe	1,511	1,331	366	55
Northern and Eastern Europe	2,937	2,321	376	30
Canada, Australia	344	622	(10)	12
International	5,547	4,681	1,366	1,665
Total	11,378	9,846	1,607	1,140
of which digital services	481	373	(24)	-

France is broken down into three regions:

Region 1: Grand-Sud
 Region 2: North West
 Region 3: Greater Paris Region, Grand Est

For France:

In € thousand	Turnover		Current operating profit	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Great South	102,367	97,363	6,271	2,577
North West	257,444	201,655	23,431	9,582
Greater Paris region, Great East	158,033	133,445	9,867	3,186
Digital Services	23,443	21,377	2,329	2,194
Unallocated	966	189	(10,798)	(3,735)
Total	542,253	454,029	31,100	13,805

In € thousand	Depreciations		Impairment	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Great South	294	291	16	-
North West	412	412	40	-
Greater Paris region, Great East	201	195	23	-
Digital Services	358	290		-
Unallocated	4,566	3,977	163	(525)
Total	5,831	5,165	241	(525)

5.4 Personnel costs

In € thousand	30/06/2021	30/06/2020
Wages and salaries	907,941	711,518
Social security contributions	234,291	189,728
Employee profit-sharing	3,779	324
Total	1,146,011	901,569

The average temporary headcount stood at 62,335 (FTE) compared with 51,712 in the first half of 2020.

At 30 June 2021, there were 4,332 permanent employees.

5.5 Financial result

In € thousand	30/06/2021	30/06/2020
Income from transferable securities	-	-
Income from receivables	323	231
Financial income	323	231
Interests on finance leases	(670)	(405)
Bank and miscellaneous charges	(689)	(593)
Interest on loans	(198)	(199)
Cost of gross financial debt	(1,556)	(1,197)
Cost of net financial debt	(1,234)	(966)
Translation gains or losses	745	(883)
Other income and expenses	1	(38)
Other income and expenses	746	(920)
Total	(488)	(1,886)

“Other financial income and expenses” were mainly impacted by changes in exchange rates, particularly in the pound sterling.

Note 6 Tax

6.1 Tax expense

The tax expense of €19,535 thousand recognised in the income statement breaks down as follows:

In € thousand	30/06/2021	30/06/2020
Income tax	16,426	4,688
Deferred tax	(1,566)	1,388
Total income tax	14,860	6,077
CVAE (France)	3,664	6,058
IRAP (Italy)	1,011	494
Total	19,535	12,628

6.2 Change in the deferred tax position

In € thousand	30/06/2021	31/12/2020
Deferred tax assets created for:		
Tax loss carry forwards	175	446
Temporary differences	4,202	3,152
Total deferred tax	4,377	3,598
Deferred tax liability	11,440	12,341
Total	(7,062)	(8,743)

For the sake of prudence, some tax losses that could be carried forward at the standard rate have not been retained. The corresponding tax saving would have amounted to €2,397 thousand, including €64 thousand relating to the first half of 2021.

Deferred tax liabilities totalling €11,440 thousand mainly relate to brands and client bases net of amortisation since acquisition (€8,857 thousand), accelerated depreciation (€904 thousand) and the fair value adjustment on a property asset (€704 thousand).

6.3 Tax proof

The gap between the amount of income tax calculated at the tax rate applicable in France and the effective tax amount is explained as follows:

In € thousand	30/06/2021	30/06/2020
Profit before tax expense	54,894	22,645
Profit before tax after CVAE and IRAP	50,219	16,094
Tax rate in force (in France)	28,41%	32,02%
Theoretical tax	14,266	5,154
IFRS 2 result impact	730	-
Tax loss carry-forwards not activated	64	51
CICE accretion	(83)	(137)
Goodwill impairment	-	716
Others	(117)	293
Total	14,860	6,077

Note 7 Change in the working capital requirement

The change in the operating working capital requirement breaks down as follows:

In € thousand	Change		
	30/06/2021	31/12/2019	30/06/2020
Clients	(64,616)	57,926	149,145
Other receivables ⁽¹⁾	10,952	18,595	(7,252)
Increase in working capital	(53,664)	76,521	141,894
Suppliers	(1,172)	(1,767)	(2,886)
Tax and social security payables ⁽²⁾	58,455	(21,978)	(50,273)
Other payables	11,041	(2,866)	11,278
Increase in current liabilities	68,324	(26,612)	(41,881)
Change in WCR	14,660	49,909	100,013

⁽¹⁾ Other receivables under assets in the consolidated balance sheet were impacted by the 2018 CICE receivable in the amount of €40,253 thousand, which had been booked under non-current financial assets at December 2020.

⁽²⁾ In the context of the various government measures relating to Covid-19, the Group had deferred the payment of tax and social security liabilities in the amount of €18,071 thousand as at 30 June 2020.

OTHER INFORMATION

Note 8 Related parties

The acquisition of the remaining 34% interest in DCS EASYWARE in June for €32.5 million constituted a transaction between related parties. The related impacts are set out in Note 2 of the condensed consolidated half-year financial statements.

Note 9 Contingent commitments and liabilities

9.1 Commitments received and contingent assets

Banks guaranteed SYNERGIE and some of its temporary employment subsidiaries in respect of its clients for €98,637 thousand in France and €38,166 thousand outside France at 30 June 2021.

As from 1 July 2021, guarantees concerning France stand at €74,998 thousand.

9.2 Commitments given and contingent liabilities

The retirement and other benefits granted to the personnel are all covered by provisions (Note 4.9.1).

There are no other commitments that are likely to significantly affect the assessment of the consolidated financial statements.

Note 10 Events after 30 June 2021

No event likely to call into question the half-year financial statements as at 30 June 2021 took place after the reporting date.

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I certify that, to my knowledge, the condensed consolidated financial statements presented in the half-year financial report were prepared in accordance with the applicable accounting standards and provide a fair view of the assets, financial position and results of SYNERGIE and of all companies included in the consolidation scope.

The half-year activity report therefore provides a fair picture of the main business developments during the first six months of the financial year and of their impact on the half-year financial statements, of the main risks and uncertainties faced over the next six months of the year, and of the main transactions between related parties.

Paris, 29 September 2021

Victorien VANEY

Chairman of the Executive Board

STATUTORY AUDITORS' REPORT ON THE HALF- YEAR FINANCIAL INFORMATION

PERIOD FROM 1 JANUARY
TO 30 JUNE 2021

SAINT HONORE BK&A
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Registered member of the Compagnie de Paris

APLITEC AUDIT & CONSEIL
4-14 rue Ferrus
75014 PARIS
Registered member of the Compagnie de Paris

SYNERGIE

STATUTORY AUDITORS' REPORT
ON THE HALF-YEAR FINANCIAL INFORMATION
TO 30 JUNE 2021

SYNERGIE

A European Company (SE) with share capital of €121,810,000

Registered office: 11, avenue du Colonel Bonnet

75016 PARIS

Paris Trade and Companies Register (RCS) No. 329 925 010

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION PERIOD FROM 1 JANUARY TO 30 JUNE 2021

To the Shareholders,

Under the terms of the assignment entrusted to us by your Shareholders' Meeting and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we have carried out:

- a limited review of the condensed consolidated half-year financial statements of SYNERGIE for the period from 1 January to 30 June 2021, as attached to this report;
- verifications of the information provided in the half-year activity report.

The global crisis caused by the Covid-19 pandemic created particular conditions for the preparation and limited auditing of the condensed consolidated half-year financial statements. The crisis and the exceptional public health emergency measures taken had multiple consequences for companies, in particular in relation to their activity and financing, and led to uncertainty around their future prospects. Some of these measures, such as travel restrictions and remote working, also had an impact on the internal organisation of companies and the methods for carrying out our work.

These condensed consolidated half-year financial statements have been drawn up under the responsibility of your Executive Board. Our role is to express our conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We carried out our limited review in accordance with the professional standards applicable in France.

A limited review essentially consists in making inquiries of the members of the management responsible for financial and accounting matters, and applying analytical review procedures. A limited review is substantially less broad in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain more than a moderate assurance, less than would be obtained in the case of an audit, that the financial statements do not contain significant anomalies.

Based on our limited review, no significant anomaly has come to our attention that would cause us to doubt that the accompanying condensed consolidated half-year financial statements are prepared in all material respects in accordance with IAS 34, the IFRS standard as adopted by the European Union applicable to interim financial statements.

2. Specific verification

We also verified the information given in the half-year activity report commenting on the condensed consolidated half-year financial statements submitted to our limited review.

We have no observations to make as to their sincerity and consistency with the condensed consolidated half-year financial statements.

Signed in Paris on 29 September 2021

The Statutory Auditors

SAINT HONORE BK&A

Registered member of the Compagnie de Paris

Frédéric BURBAND

APLITEC AUDIT & CONSEIL

Registered member of the Compagnie de Paris

Marie-Françoise BARITAUX-IDIR

Laurent FARAÏT