

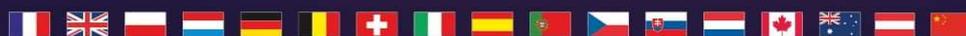


SYNERGIE



HUMAN RESOURCES MANAGEMENT

2022
HALF YEAR
FINANCIAL REPORT
30 JUNE



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ACTIVITY REPORT

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HALF-YEAR GROUP ACTIVITY REPORT AS AT 30 JUNE 2022

The Board of Directors of SYNERGIE, which met on 21 September 2022 under the chairmanship of Victorien VANEY, approved the 2022 consolidated half-year financial statements.

Overview

The first half of 2022 was marked by continued strong growth in activity although this decreased from quarter to quarter due to economic and financial uncertainties in the international environment.

1. CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

1.1 Key figures

In € thousand	30 june 2022	30 june 2021
Turnover	1,431,010	1,280,551
Ebitda ⁽¹⁾	80,918	69,249
Current operating profit ⁽²⁾	69,306	57,870
Amortisation and impairment of intangibles	(4,987)	(2,809)
Operating profit	64,211	55,382
Cost of net financial debt	(1,414)	(1,234)
Other financial income and expenses	(299)	746
Net profit before tax	62,498	54,894
Tax expenses	(21,306)	(19,535)
Consolidated net profit	41,192	35,358
of which Group share	38,963	32,727

(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.

1.2 Turnover

Turnover breaks down as follows:

In € thousand	30 june 2022	30 june 2021	Change 22/21
France	603,303	542,253	11.3%
Italy	366,883	299,470	22.5%
Spain, Portugal	123,767	118,576	4.4%
Southern Europe	490,650	418,046	17.4%
Belgium	136,705	125,688	8.8%
Others Northern and Eastern Europe	163,393	161,331	-9.5%
Northern and Eastern Europe	300,098	287,019	-1.5%
Canada, Australia	36,958	33,233	11.2%
International	827,707	738,298	9.8%
Total	1,431,010	1,280,551	10.4%
of which digital services	37,234	33,967	9.6%

The trend by quarter is as follows:

In € thousand	30 june 2022	30 june 2021	Change 22/21
First Quarter turnover	690,605	593,802	16.3%
Second Quarter turnover	740,405	686,750	7.8%
TOTAL	1,431,010	1,280,551	11.7%

With a sharp increase in the second quarter (+7.8%), SYNERGIE posted half-year consolidated turnover of €1,431.0 million on a like-for-like basis (up 11.7% on 2021).

Thanks to the diversification strategy implemented in all countries in which it operates and its ability to cope with tensions in sourcing, the Group succeeded in generating a level of first-half activity well above its historical highs (€1,295.4 million in 2019).

The SME and SMI/Key accounts mix has changed from 57/43 (first half of 2021) to 55/45 (2022). However, the reduction in the level of business transacted with certain major clients has resulted in an improvement in the average gross margin.

Our subsidiaries that specialise in digital services achieved turnover of €37.2 million, again up significantly over the half-year (+9.6%), bearing out SYNERGIE's decision to invest in this sector.

France

H1 turnover in France came in at €603.3 million (€576.1 million excluding digital services). Over and above the diversification implemented, the upswing in the aeronautics sector contributed significantly to this performance, while the industry, agri-food, building and public works and retail sectors also performed well.

International

During this first half, growth in activity proved to be equally balanced between France (+11.2%) and International (+12%), which accounts for nearly 58% of consolidated turnover. Growth was particularly strong in Southern Europe (+17.4%) where Italy continues to play a driving role, achieving turnover of €367 million and representing more than 25% of the Group's activity

Southern Europe

Our Italian subsidiary saw a further acceleration in its expansion, boosted by its nationwide coverage and diversification. The first-half turnover of €367 million raises the possibility that the €700 million mark may be exceeded for the full year 2022.

Meanwhile, activity in the Iberian Peninsula increased by an overall 4.4%, with the impact of the Labour Reform affecting Spain as from the second quarter.

Benelux

The Benelux countries saw an increase in turnover of 8.8% to €160.6 million (including €136.7 million relating to Belgium).

Northern and Eastern Europe

Austria performed well over the half year (with activity up 12.5%) while activity was down compared to 2021 in both Germany (-9.1%) and the UK (-5.1%).

The activity of the other countries in this zone (Switzerland and Eastern European countries) was less significant as Switzerland, which has historically had a strong presence in the building sector, continued its strategy of diversifying into more profitable sectors.

International markets outside Europe

Activity is grouped into two divisions:

- Australia, which generated a like-for-like increase in turnover of 9.9%, with certain key accounts continuing to dominate;
- Canada, which experienced a recovery during the half year.

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

In € thousand	Ebitda		
	30 june 2022	30 june 2021	Change 22/21
France	45,123	36,931	22.2%
Italy	22,869	17,873	28.0%
Spain, Portugal	2,043	2662	-23.3%
Southern Europe	24,912	20,535	21.3%
Belgium	6,305	7,230	-12.8%
Others Northern and Eastern Europe	3,647	2,498	42.3%
Northern and Eastern Europe	9,952	9,728	1.4%
Canada, Australia	931	2,054	-54.7%
International	35,795	32,317	10.5%
Total	80,918	69,249	16.7%
of which digital services	4,531	3,836	18.1%

In € thousand	Current operating profit (*)		
	30 june 2022	30 june 2021	Change 22/21
France	39,022	31,100	25.5%
Italy	21,196	16,319	29.9%
Spain, Portugal	1,346	1950	-31.0%
Southern Europe	22,542	18,269	23.4%
Belgium	4,879	5,804	-15.9%
Others Northern and Eastern Europe	2,192	987	136.0%
Northern and Eastern Europe	7,071	6,791	6.2%
Canada, Australia	671	1,710	-60.8%
International	30,284	26,771	13.6%
Total	69,306	57,870	20.0%
of which digital services	4,008	3,355	19.5%

(*) Before amortisation and impairment of intangible assets (EBITA)

During the first half of 2022, SYNERGIE generated EBITDA of €80.9 million compared with €69.2 million in 2021 and current operating profit of €69.3 million compared with €57.9 million in 2021.

The strong increase in activity over the six months (+11.7%) and the careful management of expenses generated a leverage effect that enabled the Group to post very significant earnings growth:

- EBITDA +16.9%
- Current operating profit ("EBITDA") +19.8%
- Net profit +16.5%

The EBITDA/turnover ratio for the first half of 2022 increased from 5.4% to 5.7% with highs of 7.5% (France) and 6.2% (Italy).

The current operating profit/turnover ratio reached 4.8% compared with 4.5% in 2021, with highs of 6.5% (France) and 5.8% (Italy).

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 once again key factors in being able to benefit better from the buoyant environment and the growing digitalisation of systems and processes.

The contribution from the digital services division, 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 2021 (€3.7 million).

The client loss ratio came to just 0.16% of turnover (compared with 0.13% in 2021) with strict management of client credit in all regions.

1.4 Operating profit

Operating profit reached €64.2 million compared with €55.4 million in 2021, 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 €2.4 million versus €2.8 million in 2021.

A €2.6 million impairment loss in respect of goodwill was recognised. It related to the German activities.

Other non-current income and expenses were not material.

1.5 Financial result

The cost of net financial debt (€1.4 million) rose slightly in relation to 2021 due to the inclusion, over a limited period, of taxation on excess bank deposits.

Exchange rate parity, including that of the euro versus the pound sterling, gave rise to a loss of €0.3 million for the period (compared with a gain of €0.7 million for the six months ended 30 June 2021).

1.6 Net profit

Consolidated net profit reached €41.2 million at 30 June 2022 (versus €35.4 million at 30 June 2021) with the Group share of net profit reaching €39.0 million (compared with €32.7 million), which were the SYNERGIE Group's highest historical end-June figures.

This difference stems from the items set out above and corporate income tax of €21.3 million versus €19.5 million in 2021.

In France, the tax expense incorporates the CVAE (value added contribution for businesses), which amounted to €4.1 million for the first six months of the year (compared with €3.7 million at 30 June 2021).

2. FINANCIAL STRUCTURE

In € thousand	30 June 2022	31 Dec 2021	30 June 2021
Consolidated shareholders' equity	566,280	551,315	533,902
Net cash position	273,942	276,017	213,623
Financial debt excluding IFRS 16	242,533	239,788	173,709
Leasing liabilities	(66,618)	(67,883)	(68,839)
Cash position net or any debt	175,915	171,905	104,870
Cash position including CICE	201,661	197,605	186,405
Self-financing capacity	62,010	104,522	50,143
Change in working capital requirement	(23,338)	42,900	14,661
"Industrial" investments	3,226	5,200	3,090
Cost of net debt/turnover	0.10%	0.10%	0.10%

The performances achieved in both 2021 and 2022 and the low level of investment during the half year have helped to strengthen the Group's financial structure, most notably the following items:

- Consolidated shareholders' equity stood at €566.3 million (of which Group share of €563.8 million), with the change in relation to 31 December 2021 attributable to the distribution of dividends (€21.0 million), net profit for the period (+€41.2 million) and the revaluation of an option to acquire non-controlling interests for €6.0 million.
- Cash net of bank debt was still substantially positive at €273.9 million, with a beneficial effect from good management of client credit.
- Net cash after taking account of all debt stood at €201.7 million, incorporating the CICE receivable that will be collected or become available in the short term (€25 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 2022, SYNERGIE SE had 382,170 treasury shares, including 29,707 under the liquidity contract and 352,463 as part of the share buyback programme approved by the Shareholders' Meeting of 23 June 2022.

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

3.1 Economic risk

The geopolitical crisis arising from the war between Russia and Ukraine has had an impact on the cost of energy, supplies and other flows with these states, contributing to inflation and a downturn in the financial markets.

The economic risks linked to the health environment persist but to a much lesser extent since their impact, linked mainly to work stoppages, were felt in the first few weeks of the year.

Moreover, client risk continues to be watched very closely given that the risk around company bankruptcies will be 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 four 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 2021 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 2022, underpinned by the collection in the short term of a CICE receivable 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 7.4% of consolidated turnover as at 30 June 2022 (compared with 8.2% as at 30 June 2021).

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 expense to reflect the impact of a fall in value of pound sterling-denominated current accounts, which will be updated in the 2022 annual financial statements on the basis of the exchange rate on 31 December.

3.3.3 Interest rate risk

Loans requiring repayment at 30 June 2022 were more or less all taken out at a fixed rate.

The average interest rate on the Group's loans was 1.00% over the period.

3.3.4 IT and cyber risks

In a context in which digital technology has become a key factor in ensuring the Group's day-to-day operation, and to accompany its digital transformation, SYNERGIE has implemented a strategy, steered by the IT security division, to strengthen the security of its information systems.

This strategy also aims to limit cyber risk and meet the requirements of the General Data Protection Regulation (GDPR).

3.3.5 Legislative environment

From the second quarter of 2022, the Labour Reform was implemented in Spain, which affected the use of temporary staff, some of whom were recruited by clients.

We are aware of no other legal developments that would have a significant impact on the 2022 half-year financial statements.

4. MAIN TRANSACTIONS BETWEEN RELATED PARTIES

There were no transactions between related parties that had a significant impact on SYNERGIE's financial situation or consolidated statement of income.

5. ANTICIPATED DEVELOPMENTS DURING THE YEAR

The Group continued to grow during the summer, but to a lesser extent, giving rise to expectations of a level of activity of around €2.9 billion for the year as a whole, excluding the effect of external growth operations which could be finalised during the last quarter.

6. EVENTS AFTER THE REPORTING PERIOD

No significant events likely to affect the financial statements for the first half of 2022 took place after the end of the reporting period.

7. FINANCIAL PUBLICATIONS IN 2022

The financial data as at 30 September 2022 will be published on 26 October 2022 (after market closes).

CONSOLIDATED FINANCIAL STATEMENTS

OF THE SYNERGIE GROUP

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CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS AT 30 JUNE 2022

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Notes N°	30/06/2022	31/12/2021
In € thousand			
Goodwill	4.1	99,758	102,458
Other intangible assets	4.1	35,679	38,537
Property, plant and equipment	4.2	63,247	63,942
Right of use relating to lease contracts	4.2	63,871	65,426
Non-current financial assets	4.3	9,446	9,084
Deferred tax assets	6.2	5,678	6,464
Non-current Assets		277,679	285,911
Trade receivables	4.4	652,652	596,690
Other receivables	4.5	85,505	76,444
Cash and cash equivalents	4.6	299,185	309,186
Current Assets		1037,342	982,320
Total Assets		1,315,021	1,268,231

Liabilities	Notes N°	30/06/2022	31/12/2021
In € thousand			
Share capital	4.7	121,810	121,810
Reserves and carryforwards		403,037	353,920
Consolidated net profit		38,963	70,891
Non-controlling interests		2,470	4,694
Shareholders' equity	4.7	566,280	551,315
Provisions and payables for employee benefits	4.9	11,057	11,800
Non-current borrowings	4.8	20,617	25,283
Medium and Long-term lease debt	4.8	50,352	52,107
Other non-current liabilities	6.2	10,584	11,088
Deferred tax liabilities	4.10	54,431	48,469
Non-current Liabilities		147,041	148,748
Provisions		1,600	1289
Current borrowings	4.8	10,792	10,946
Short-term lease debt	4.8	16,266	15,776
Current bank debt	4.8	25,242	33,169
Trade payables	4.11	27,992	25,818
Tax and social security payables	4.12	497,886	467,775
Other payables	4.12	21,921	13,395
Current Liabilities		601,700	568,168
Total Liabilities		1,315,021	1,268,231

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2.1 Consolidated income statement

In € thousand	Notes N°	30/06/2022	30/06/2021
Revenue	5.2	1,431,010	1,280,551
Other income		3,416	5,215
Purchases		254	194
Personnel costs	5.3	(1,273,814)	(1,146,011)
External expenses		(45,969)	(41,109)
Taxes and similar levies		(30,714)	(27,531)
Depreciation and amortisation		(11,612)	(11,378)
Provisions		(2,848)	(2,000)
Inventory change of goods		-	-
Other expenses		(417)	(61)
Current operating profit before amortisation and impairment of intangible assets	5.2	69,306	57,870
Amortisation of intangible assets related to acquisitions		(2,387)	(2,809)
Impairment of intangible assets related to acquisitions		(2,600)	-
Current operating profit		64,319	55,062
Other operating income and expenses		(108)	320
Operating profit		64,211	55,382
Income from cash and cash equivalents		242	323
Cost of gross financial debt		(1,656)	(1,556)
Cost of net financial debt	5.4	(1,414)	(1,234)
Other financial income and expenses	5.4	(299)	746
Net profit before tax		62,498	54,894
Tax expense	6.1	(21,306)	(19,535)
Consolidated net profit		41,192	35,358
Group share		38,963	32,727
Non-controlling interests		2,228	2,632
Earnings per share (in €) (*)		1,60	1,34
Diluted earnings per share (in €) (*)		1,60	1,34

(*) 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	30/06/2022	30/06/2021
Net profit	41,192	35,358
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	254	493
Liquidity contract	(66)	208
Subtotal of recyclable gains and losses	188	700
Actuarial differences net of tax	828	(199)
Subtotal of non-recyclable gains and losses	828	(199)
Total gains and losses recognised directly in shareholders' equity	1,016	502
Net comprehensive income	42,207	35,860
Group share of total comprehensive income	39,980	33,227
Non-controlling interests' share of total comprehensive income	2,228	2,633

3. CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousand	Notes N°	30/06/2022	31/12/2021	30/06/2021
Consolidated net profit		41,192	75,694	35,358
Derecognition of expenses and income without an impact on cash or not related to business activity		1,204	1 090	17
Depreciation, amortisation and provisions		8,763	13,000	6,523
Cost of financial debt		2,096	890	564
Deferred tax position		283	(2 881)	(1 566)
IFRS 16 rents restatement		8,472	17,021	8,445
Other expenses and income not generating short-term flows		-	(292)	801
Self-financing capacity		62,010	104,522	50,143
Change in working capital requirement	7	(23,338)	42,906	14,661
Net cash flow from operating activities		38,672	147,428	64,804
Purchases of fixed assets		(3,101)	(11,098)	(3,085)
Sales of fixed assets		26	398	38
Sales of non-current financial assets		26	25,3	238
Impact of changes in scope (and price supplements) ⁽¹⁾	2	(1,045)	(39,617)	(39,607)
Cash flow from investments activities		(4,093)	(50,292)	(42,416)
Dividends paid out to shareholders of the Parent Company	4.7	(19,185)	(19,188)	(19,188)
Dividends paid out to minority shareholders of the consolidated companies		(1,950)	(2,654)	(2,654)
Purchase of treasury shares		(211)	(171)	(283)
Loan issues	4.8	662	1,500	-
Loan repayments	4.8	(5,425)	(10,438)	(5,376)
Lease liabilities repayments		(7,845)	(15,764)	(7,776)
Net interests paid on lease liabilities	5.5	(604)	(1,258)	(670)
Cost of net financial debt	5.5	(2096)	(890)	(564)
Net cash flow from financing activities		(36,654)	(48,863)	(36,510)
Change in net cash position		(2,075)	48,273	(14,122)
Opening cash position	4.8	276,017	227,744	227,744
Closing cash position	4.8	273,942	276,017	213,622

4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consoli-dated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
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	-	-	(396)	-	225	(171)	-	(171)
Overall net profit for the year	-	-	-	70,891	-	70,891	4,803	75,694
Currency translation adjustment	-	-	-	-	689	689	0	689
Change in scope	-	-	-	(66,465)	(3,482)	(69,947)	(17,072)	(87,019)
Position at 31/12/2021	121,810	12,181	(4,166)	418,335	(1,541)	546,621	4,694	551,315
Position at 01/01/2022	121,810	12,181	(4,166)	418,335	(1,541)	546,621	4,694	551,315
Appropriation of earnings n-1	-	-	-	-	-	-	-	-
IFRS 9 restatement	-	-	-	-	-	-	-	-
Dividends	-	-	-	(19,185)	-	(19,185)	(1,950)	(21,135)
Transactions on treasury shares	-	-	(145)	-	(66)	(211)	-	(211)
Overall net profit for the year	-	-	-	38,963	-	38,963	2,228	41,192
Currency translation adjustment	-	-	-	-	254	254	(1)	254
Change in scope	-	-	-	(3,461)	828	(2,633)	(2,501)	(5,134)
Position at 30/06/2022	121,810	12,181	(4,311)	434,653	(524)	563,809	2,470	566,280

(*) The main changes in the Group (€3,461 thousand) and minority interests (€2,501 thousand) are described in Note 2 to the consolidated financial statements: Acquisition of non-controlling interests and put options.

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 2022 were approved by resolution of the Board of Directors on 21 September 2022.

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 2021, 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

For the preparation of the condensed consolidated financial statements for the period ended 30 June 2022, the Group has applied the same accounting principles and methods as in its consolidated financial statements for the year ended 31 December 2021, with the exception of the following changes related to the standards and/or amendments adopted by the European Union, whose application is mandatory as from 1 January 2022:

- Annual improvements to standards 2018-2020 cycle: various provisions
- Amendments to IFRS 3 - Business Combinations - Updating a Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment – Proceeds before Intended Use;
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

These publications did not have a material impact on the Group's consolidated financial statements.

The Group has not applied any measures related to the new standards and interpretations the application of which is not mandatory as at 1 January 2022. The main standards and amendments concerned are as follows, which are applicable as from 1 January 2023 subject to their adoption by the European Union:

- Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current;
- Amendments to IAS 8 - Definition of Accounting Estimates;
- Amendments to IAS 12 - Income Taxes;
- IFRS 17 - Insurance Contracts.

Detailed analysis of these standards and amendments is in progress, but no material impact on the Group's financial statements is expected.

In its March 2021 decision, the IFRIC clarified the accounting treatment of the costs of configuring or customising application software used in Software as a Service (SaaS) mode. Given the complexity of the analyses to be carried out and the review work still in progress, this decision has not been applied in the consolidated financial statements for the half year ended 30 June 2022. The portion of the SaaS software that can be restated is not material.

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:

- the measurement of the recoverable value of the intangible assets
- the calculation of the provisions for risks and charges
- lease contract terms and restated discount rates pursuant to IFRS 16
- the application of IAS 19
- the fair value measurement of the NCI put option
- the application of IFRS 9
- the measurement of the recoverable value of non-consolidated long-term investments

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 acquisition of a 5% stake in the Australian subsidiary SYNACO GLOBAL RECRUITMENT Pty, which brought the total holding in that company to 100% (April 2022). This transaction has no impact on the Group's profit or equity as it was anticipated at 31 December 2021.

Moreover, the put option on 15% of SYNERGIE ITALIA, which would bring the total interest to 100%, has been revalued at €54,431 thousand, i.e. an increase of €5,962 thousand, which is deducted from shareholders' equity.

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-22	Dec-21	June-22	Dec-21	June-22	Dec-21
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	100.00	100.00	100.00	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	Newport UNITED KINGDOM		99.56	99.56	99.56	99.56	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-22	Dec-21	June-22	Dec-21	June-22	Dec-21
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	Newport UNITED KINGDOM		100.00	100.00	99.56	99.56	FULL	FULL
ACORN RAIL	"		100.00	100.00	99.56	99.56	FULL	FULL
ACORN GLOBAL RECRUITMENT	"		100.00	100.00	99.56	99.56	FULL	FULL
CONCEPT STAFFING	"		100.00	100.00	99.56	99.56	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
ACORN GLOBAL RECRUITMENT SUBSIDIARY								
SYNACO GLOBAL RECRUITMENT PTY	Adelaide AUSTRALIA		100.00	95.00	99.56	94.58	FULL	FULL
SYNACO GLOBAL RECRUITMENT PTY SUBSIDIARIES								
SYNERGIE RESOURCES PTY	Adelaide AUSTRALIA		100.00	100.00	99.56	94.58	FULL	FULL
ENTIRE RECRUITMENT SYNACO PTY	Brisbane AUSTRALIA		100.00	100.00	99.56	94.58	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	100.00	FULL	FULL
DCS IT IBERICA	St Cugat del Valles SPAIN		100.00	100.00	100.00	100.00	FULL	FULL
DCS IBERICA SUBSIDIARIES								
SEIN	Pamplona SPAIN		100.00	100.00	100.00	100.00	FULL	FULL
CONTIGO	"		100.00	100.00	100.00	100.00	FULL	FULL
TRES60	"		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

Note 4 Statement of financial position

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 8.95% and 10.36% 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 2022 which gave rise to a write down of €2.6 million relating to Germany.

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 €2,495 thousand, which breaks down as follows:

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 €879 thousand would be recorded if the EBIT rate declined by 5%; it would break down as follows:

In € thousand	30/06/2022
France	
Southern Europe	
Northern and Eastern Europe	2,495
Canada / Australia	
Total	2,495

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

In € thousand	30/06/2022
France	
Southern Europe	
Northern and Eastern Europe	879
Canada / Australia	
Total	879

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⁾
Germany	5	27.6%	27.6%

(1) The cumulated increase in turnover entered in the 2022 to 2026 Business Plan (used for the terminal value).

(2) The cumulated increase in turnover required for the recoverable value to be equal to the book value of the CGU.

4.1.1 Goodwill

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

In € thousand	31/12/2021	Increase	Decrease (*)	30/06/2022
Goodwill on securities	97,971	-	2,665	95,306
Business	4,487	-	35	4,452
Net goodwill	102,458	-	2,700	99,758

(*) Of which translation loss of €100 thousand

4.1.2 Other intangible assets

The changes in gross value are analysed as follows:

In € thousand	31/12/2021	Scope entries	Increase (*)	Decrease	30/06/2022
Software and licences	14,320	-	324	21	14,624
Client base	71,584	-	265	-	71,848
Brands	16,968	-	76	-	17,045
Rights to leases	442	-	-	-	442
Total	103,314	-	665	21	103,959

(*) Of which translation gains of €374 thousand

The changes in amortisation are analysed as follows:

In € thousand	31/12/2021	Scope entries	Increase (*)	Decrease	30/06/2022
Software and licences	11,351	-	813	-	12,165
Client base	42,457	-	2,604	-	45,061
Brands	2,665	-	-	2	2,663
Rights to leases	-	-	-	-	-
Total	56,474	-	3,417	2	59,888

(*) Of which translation gains of €200 thousand

The changes in impairment are analysed as follows:

In € thousand	31/12/2021	Scope entries	Increase (*)	Decrease	30/06/2022
Software and licences	-	-	-	-	-
Client base	5,187	-	10	-	5,197
Brands	3,116	-	79	-	3,195
Rights to leases	-	-	-	-	-
Total	8,303	-	88	-	8,392

(*) Translation gains of €88 thousand

The net values are analysed as follows:

In € thousand	30/06/2022	31/12/2021
Software and licences	2,459	2,969
Client base	21,591	23,940
Brands	11,187	11,186
Rights to leases	442	442
Total	35,679	38,537

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	31/12/2021	Scope entries	Increase	Decrease	30/06/2022
Land, buildings and technical facilities	50,456	-	38	132	50,362
Fixtures, furniture, office equipment & computer equipment	51,856	-	2,523	424	53,955
Total	102,312	-	2,561	556	104,318
of which fixed assets under finance leases	2,300	-	-	-	2,300

The changes in amortisation are analysed as follows:

In € thousand	31/12/2021	Scope entries	Increase	Decrease	30/06/2022
Land, buildings and technical facilities	5,483	-	486	100	5,869
Fixtures, furniture, office equipment & computer equipment	32,887	-	2,571	257	35,201
Total	38,370	-	3,057	357	41,071
of which fixed assets under finance leases	139	-	12	-	151

The net values are analysed as follows:

In € thousand	30/06/2022	31/12/2021
Land, buildings and technical facilities	44,493	44,973
Fixtures, furniture, office equipment & computer equipment	18,754	18,969
Total	63,247	63,942
of which fixed assets under finance leases	2,149	2,161

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	31/12/2021	Increase	Decrease	Revaluations	30/06/2022
Real estate	83,351	4,361	1,314	-	86,398
Vehicules and other	16,355	2,872	2,169	-	17,058
Net value	99,706	7,233	3,484	-	103,455

The changes in amortisation are analysed as follows:

In € thousand	31/12/2021	Increase of Depreciation costs	Reversal/ Assets sales	30/06/2022
Real estate	25,605	5,436	477	30,564
Vehicules and other	8,676	2,432	2,086	9,021
Net value	34,281	7,868	2 564	39,585

The net values are analysed as follows:

In € thousand	31/12/2021	Reclassification	Change in the period	30/06/2022
Real estate	57,746	-	(1,912)	55,834
Vehicules and other prop.	7,679	-	358	8,037
Net value	65,425	-	(1,555)	63,871

4.3 Non-current financial assets

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

In € thousand	31/12/2021	Scope entries	Increase	Decrease	30/06/2022
Investments in associates	-	-	-	-	-
Other equity investments	6,123	-	461	-	6,585
Other fixed investments	220	-	25	3	241
Loans	99	-	-	-	99
Other financial assets	2,642	-	1,319	1,440	2,521
Total	9,084	-	1,805	1,443	9,446

At 30 June 2022, other financial assets mainly included security deposits on commercial rents.

4.4 Trade receivables

Trade receivables and related accounts break down as follows:

In € thousand	30/06/2022	31/12/2021
Clients	657,612	603,212
Unbilled revenue	15,760	12,053
Impairment	(20,720)	(18,575)
Total	652,652	596,690

The impact of IFRS 9 on profit before tax is -€117 thousand:

At 1 January 2022:	€2,788 thousand
Translation difference	€3 thousand
At 30 June 2022:	€2,906 thousand
Impairment	€117 thousand

*

4.5 Other receivables

The other receivables item breaks down as follows:

In € thousand	30/06/2022	31/12/2021
Employee-related liabilities	5,503	1,649
Social security and other benefits	24,387	29,534
Corporate income tax	27,706	27,033
Other taxes	10,595	8,550
Sundry debtors	9,127	4,110
Prepaid expenses	9,252	6,521
Total other receivables - Gross value	86,569	77,398
Provision for impairment	(1,063)	(954)
Total others receivables - Net value	85,505	76,444

The “Corporate income tax” item mainly comprises the balance of the CICE receivable for 2018 (€25,746 thousand), which is expected to be paid during the second half of 2022.

4.6 Cash and cash equivalents

In € thousand	30/06/2022	31/12/2021
Term deposits	64,792	15,646
Available cash	234,392	293,540
Cash recorded as assets (*)	299,185	309,186

(*) Net cash is presented in Note 4.8.3.

Pursuant to IAS 7, deposits and term accounts (€64.8 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 period end.

4.7 Shareholders' equity

4.7.1 Share capital

At 30 June 2022, 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 2021

The Shareholders' Meeting of 23 June 2022 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 €19,185 thousand.

4.8 Financial liabilities

No new loans were taken out during the period. A €622 thousand credit line was taken out; repayments amounted to €5,425 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	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Lending institutions	18,714	23,329	16,163	20,023	2,551	3,306
Other loans and borrowings	1,904	1,954	1,765	1,716	139	239
Non-current financial debts	20,617	25,283	17,927	21,739	2,690	3,544
Medium and long-term rental debts	50,352	52,107				
Total	70,969	77,391				

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

4.8.2 Current loans and borrowings

In € thousand	30/06/2022	31/12/2021
Lending institutions	10,430	10,577
Other loans and borrowings	363	369
Current financial debts	10,792	10,946
Short-term rental debts	16,266	15,776
Total	27,058	26,722

4.8.3 Current bank debt and net cash

In € thousand	30/06/2022	31/12/2021	30/06/2021
Bank debt	25,171	33,130	18,354
Accrued interest	72	39	36
Total	25,242	33,169	18,390
Cash and cash equivalents	299,185	309,186	232,013
Net cash position	273,942	276,017	213,622

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 measured according to the projected unit credit method, pursuant to IAS 19; the following assumptions were used as at 30 June 2022:

- Salary increase rate: 2.1%
- Personnel turnover rate: calculated by age bracket
- Social security contribution rate: according to the actual rate recorded by the company (between 37.73% and 43.17%)
- Life expectancy table: INSEE 2015-2017
- Discount rate (based on iBoxx indices): 2.0%
- Estimate based on average retirement age of 65 years
- Departure at the employee's initiative
- Retroactive application.

In € thousand	30/06/2022	31/12/2021	Change
Retirement severance payment (France)	10,491	11,168	(676)
Severance payments in Germany and Austria	329	377	(49)
Severance payments (trattamento di fine rapporto) in Italy	237	237	(0)
Total provisions for employee benefits	11,057	11,782	(725)
Employee profit-sharing +1yr	-	18	(18)
Total	11,057	11,800	(743)

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 as at 30 June 2022 correspond to a put option exercisable in 2024 for €54,431 thousand (see Note 2).

4.11 Trade payables and related accounts

Trade payables and related accounts break down as follows:

In € thousand	30/06/2022	31/12/2021
Suppliers	17,025	14,850
Invoices to be received	10,967	10,968
Total	27,992	25,818

4.12 Other current liabilities

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

In € thousand	30/06/2022	31/12/2021
VAT rate	82,258	76,243
Income tax	10 424	14,318
Other levies (*)	34,249	38,338
Personnel	252,108	224,861
Social bodies	118,846	114,014
Tax and social security payables	497,886	467,775
Payables on fixed assets and related	187	1,561
Other debts, account payable and credit notes to be issued	21,204	11,430
Deferred income	530	404
Other current liabilities	21,921	13,395
Total	519,807	481,170

(*) Seasonality effect

Note 5 Income statement and segment information

5.1 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 2022, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, digital services, etc.) of €63,018 thousand, or 4.4% 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.

5.2 Segment information

Income statement items

In € thousand	Turnover		Current operating profit (*)	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
France	603,303	542,253	39,022	31,100
Italy	366,883	299,470	21,196	16,319
Spain, Portugal	123,767	118,576	1,346	1,950
Southern Europe	490,650	418,046	22,542	18,269
Belgium	136,705	125,688	4,879	5,804
Other North and East Europe	163,393	161,331	2,192	987
Northern and Eastern Europe	300,098	287,019	7,072	6,791
Canada, Australia	36,958	33,233	671	1,710
International	827,707	738,298	30,284	26,771
Total	1,431,010	1,280,551	69,306	57,870
of which digital services	37,234	33,967	4,008	3,355

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

In € thousand	Depreciations		Impairments	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
France	6,101	5,831	76	241
Italy	1,673	1,554	1,495	708
Spain, Portugal	697	712	330	292
Southern Europe	2,370	2,266	1,825	1,000
Belgium	1,426	1,426	18	11
Other North and East Europe	1,455	1,511	349	366
Northern and Eastern Europe	2,880	2,937	367	376
Canada, Australia	260	344	(4)	(10)
International	5,511	5,547	2,189	1,366
Total	11,612	11,378	2,265	1,607
of which digital services	523	481	1	(24)

France is itself broken down into three regions (excluding digital services):

Region 1: Great South

Region 2: North West

Region 3: Greater Paris Region, Grand Est

For France:

In € thousand	Turnover		Current operating profit	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Great South	114,577	102,367	6,383	6,271
North West	283,444	257,444	24,085	23,431
Greater Paris region, Great East	176,422	158,033	10,563	9,867
Digital Services	27,154	23,443	3,559	2,329
Unallocated	1 706	966	(5,568)	(10,798)
Total	603,303	542,253	39,022	31,100

In € thousand	Depreciations		Impairment	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Great South	298	294	32	16,0
North West	398	412	80	39,5
Greater Paris region, Great East	195	201	55	22,6
Digital Services	391	358	-	-
Unallocated	4,820	4,566	(91)	163
Total	6,101	5,831	76	241

5.3 Personnel costs

In € thousand	30/06/2022	30/06/2021
Wages and salaries	1,005,522	907,941
Social security contributions	264,913	234,291
Employee profit-sharing	3,379	3,779
Total	1,273,814	1,146,011

The average temporary headcount stood at 67,198 (FTE) compared with 62,335 in the first half of 2021.

At 30 June 2022, there were 4,774 permanent employees.

5.4 Financial result

In € thousand	30/06/2022	30/06/2021
Income from transferable securities	-	-
Income from receivables	242	323
Financial income	242	323
Interests on finance leases	(604)	(670)
Bank and miscellaneous charges	(896)	(689)
Interest on loans	(155)	(198)
Cost of gross financial debt	(1,656)	(1,556)
Cost of net financial debt	(1,414)	(1 234)
Translation gains or losses	(297)	745
Other income and expenses	(1)	1
Other income and expenses	(299)	746
Total	(1,713)	(488)

“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 €21,306 thousand recognised in the income statement breaks down as follows:

In € thousand	30/06/2022	30/06/2021
Income tax	16,001	16,426
Deferred tax	12	(1,566)
Total income tax	16,013	14,860
CVAE (France)	4,103	3,664
IRAP (Italy)	1,191	1 011
Total	21,306	19,535

6.2 Change in the deferred tax position

In € thousand	30/06/2022	31/12/2021
Deferred tax assets created for:		
Tax loss carry forwards	128	95
Temporary differences	5,550	6,369
Total deferred tax	5,678	6,464
Deferred tax liability	10,584	11,088
Total	(4,906)	(4,624)

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 €2,923 thousand, including €269 thousand relating to the first half of 2022.

Deferred tax liabilities totalling €10,584 thousand mainly relate to brands and client bases net of amortisation since acquisition (€7,879 thousand), accelerated depreciation (€1,068 thousand) and the fair value adjustment on a property asset (€666 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	30/06/2022	30/06/2021
Profit before tax expense	62,498	54,894
Profit before tax after CVAE and IRAP	57,204	50,219
Tax rate in force (in France)	25,83%	28,41%
Theoretical tax	14,773	14,266
IFRS 2 result impact	-	730
Tax loss carry-forwards not activated	269	64
CICE accretion	-	(83)
Goodwill impairment	780	-
Others	191	(117)
Total	16,013	14,860

Note 7 Change in the working capital requirement

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

In € thousand	Change		
	30/06/2022	31/12/2019	30/06/2021
Clients	(55,962)	(88,641)	(64,616)
Other receivables ⁽¹⁾	(9,061)	63,006	10,952
Increase in working capital	(65,023)	(25,635)	(53,664)
Provisions for risks and charges	310	-	-
Suppliers	2,174	1,461	(1,172)
Tax and social security payables ⁽²⁾	30,111	65,515	58,455
Other payables	9,090	1,565	11,041
Increase in current liabilities	41,685	68,541	68,324
Change in WCR	(23,338)	42,906	14,660

OTHER INFORMATION

Note 8 Related parties

There were no transactions between related parties that had a significant impact on SYNERGIE's financial situation or consolidated statement of income.

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 €74,998 thousand in France and €38,002 thousand outside France at 30 June 2022.

As from 1 July 2022, guarantees concerning France stand at €85,301 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 2022

No material event likely to call into question the half-year financial statements as at 30 June 2022 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 2022

Victorien VANEY

Chairman of the Board of Directors

STATUTORY AUDITORS' REPORT ON THE HALF- YEAR FINANCIAL INFORMATION

PERIOD FROM 1 JANUARY
TO 30 JUNE 2022

SAINT HONORE BK&A
140 rue du Faubourg Saint-Honoré
75008 PARIS
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 2022

SYNERGIE

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

Registered office: 160 bis Rue de Paris

92100 BOULOGNE-BILLANCOURT

NANTERRE 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 2022

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 2022, as attached to this report;
- verifications of the information provided in the half-year activity report.

These condensed consolidated half-year financial statements have been drawn up under the responsibility of your Board of Directors. 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 2022

The Statutory Auditors

SAINT HONORE BK&A

Registered member of the Compagnie de Paris

APLITEC AUDIT & CONSEIL

Registered member of the Compagnie de Paris

Frédéric BURBAND

Marie-Françoise BARITAUX-IDIR