2022 INTERIM FINANCIAL REPORT

Financial period I 1 January to 30 June

Translation disclaimer: This document is a free translation of the original French language version of the interim financial report (*rapport semestriel*) provided solely for the convenience of English-speaking readers. This report should consequently be read in conjunction with, and construed in accordance with French law and French generally accepted accounting principles. While all possible care has been taken to ensure that this translation is an accurate representation of the original French document, this English version has not been audited by the company's statutory auditors and in all matters of interpretation of information, views or opinions expressed therein, only the original language version of the document in French is legally binding. As such, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Aubay expressly disclaims all liability for any inaccuracy herein.

Registered office: 13, rue Louis Pasteur 92100 Boulogne Billancourt
A French public limited company (*société anonyme)* with share capital of € 6.634.398
Registered in Nanterre (RCS No. 391 504 693) - French industry code (APE) 6202A

INTERIM MANAGEMENT REPORT

The Company's Board of Directors, chaired by Mr. Christian Aubert, met on 14 September 2022 to review the consolidated financial statements for the six-month period ended 30 June 2022. These financial statements are presented according to International Financial Reporting Standards (IFRS).

Results of operations

In €m	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change (organic)
France*	64.9	58.7	+10.6 %	131.4	118.3	+11.1 %
International	64.0	58.5	+9.5 %	127.1	114.8	+10.7 %
Total	**128.9**	**117.2**	**+10.0 %**	**258.5**	**233.1**	**+10.9 %**

* including the UK

Building on the positive momentum of the start of the year, Aubay's revenue in the second quarter reached €128.9 million, up 10.0% like-for-like, marking the Group's fifth consecutive quarter of double-digit organic growth. On that basis, revenue for the first half rose 10.9% to €258.5 million, fully meeting expectations.

All regions contributed equally to this growth, with revenue of €131.4 million from France and €127.1 million from international markets, representing gains of 11.1% and 10.7% respectively.

This solid performance was driven by a record business volume giving the Group greater flexibility in selecting projects and assignments for its consultants. This growth momentum continues to be driven by the broad-based digital transformation currently underway including the adoption of customer-focused application features, cloudification and all data-related activities. The most resilient sectors were Banking/Finance, Services/Utilities/Energy, Telecom, and Retail.

For the time being, there are no current signs of a slowdown.

This means that recruitment continues to be a top priority with all efforts focused on attracting and retaining talented staff. In response, net recruitment accelerated in Q2, bringing the total number of employees to 7,442 compared to 6,888 at June 30, 2021 and 7,306 at December 31, 2021. Despite market pressures, this trend is expected to continue in the second half of the year.

In this context, the productivity rate of our consultants was remarkable, ending the period at 95.2% versus 93.8% one year earlier

Operating profit from ordinary activities for the first half accordingly rose 18.5 % to €22.5 million in relation to the same period in 2021, as the operating margin on ordinary activities gained 0.7 points in one year to 10.3 %, benefiting from a positive calendar effect (one additional billing day). By region, this margin was 8.7 % (or +0.5 points) for France and 11.9 % (+0.8 points) for international operations.

In light of the above, net income attributable to owners of the parent reached another six-month high for the Group of€17.4 million, up 11.3% from one year earlier.

First-half financial highlights:

(€ 000s)	30/06/2022	30/06/2021	Change
Revenue	**258,480**	**233,095**	**+10.9 %**
Other operating income	120	200	
Purchases used in production and external charges	(57,932)	(46,850)	
Staff costs	(167,789)	(158,452)	
Taxes other than on income	(2,197)	(1,935)	
Amortisation, depreciation and provisions	(3,925)	(3,758)	
Change in inventories of work in progress and finished goods	0	0	
Other operating income and expenses	(157)	157	
Operating profit from ordinary activities	**26,600**	**22,457**	**+18.4 %**
% of revenue	**10.3 %**	**9.6 %**	
Expenses linked to restricted share unit awards and similar share-based payments	(635)	(527)	
Current operating profit	**25,965**	**21,930**	**+18.4 %**
% of revenue	**10.0 %**	**9.4 %**	
Other operating income and expenses	(941)	(613)	
Operating profit	**25,024**	**21,317**	**+17.4 %**
% of revenue	**9.7 %**	**9.1 %**	
Income from cash and cash equivalents			
Net borrowing costs	(244)	(260)	
Other financial income and expenses	(321)	329	
Net financial income (expense)	(565)	69	
Tax expenses	(7,091)	(5,776)	
Income from equity-accounted investees			
Net income before results of discontinued operations or assets held for sale	**17,368**	**15,610**	
Net income after tax of discontinued operations or assets held for sale			
Net income	**17,368**	**15,610**	**+11.3 %**
% of revenue	**6.7 %**	**6.7 %**	
Attributable to shareholders	17,329	15,583	
Attributable to non-controlling interests	39	27	

	30/06/2022		30/06/2021	
In €m	Revenue	Operating margin on ordinary activities* (%)	Revenue	Operating margin on ordinary activities* (%)
Group	**258.5**	**10.3 %**	**233.1**	**9.6 %**
France	131.4	8.7 %	118.3	8.2 %
International	127.1	11.9 %	114.8	11.1 %

*Operating profit from ordinary activities as a % of revenue

Headcount end of reporting period	30/06/2022	30/06/2021
France	2,801	2,650
Belgium/Luxembourg	217	211
Italy	2,162	2,048
Spain/Portugal	2,262	1,979
Total	**7,442**	**6,888**

Consultants	6,841	6,378
Consultants (%)	91.9 %	92.5 %
Administration and sales	601	510
Total	**7,442**	**6,888**

Analysis of the interim condensed consolidated financial statements for the six-month period ending 30 June 2022

Group results

Revenue in the 2022 first half amounted to €258.5 million compared to €233.1 million in the same period in 2021, up 10.9 %.

Operating profit from ordinary activities amounted to €26,600,000, up from €22,450,000 in the 2021 first half or 18.5 % and representing a margin of 10.3 % compared to 9.6 % one year earlier.

Other operating income and expenses represented a net expense of €941,000, up from €613,000 in the 2021 first half. Expenses consist primarily of restructuring and M&A expenses.

Operating profit accordingly amounted to €25,024,000 compared to 21,317,000 one year earlier, representing an increase of 17.4 %.

Net financial expense amounted to €565,000, compared to net financial income of €69,000 in 2021.

The tax expense amounted to €7,091,000, compared to €5,776,000 in H1 2021 representing an effective tax rate of 29 % compared to 27 % one year earlier.

Net income amounted to €17,368,000 in the 2022 first half representing a net margin of 6.7% (compared to €15,610,000 in the 2021 first half), up 11.3 %. Net earnings per share accordingly amounted to €1.31 for 13,252,256 shares (weighted average number) compared to €1.18 for 13,208,860 shares at the end of the 2021 first half.

Consolidated statement of financial position

Net equity amounted to €238.4 million, up €8.4 million from 31 December 2021.

Key changes in the period included:

- Recognition of €17.3 million in net income,
- Payment of €10.1 million in dividends to shareholders,

Non-current assets amounted to €157.2 million, a decrease of €1.5 million reflecting mainly the impact of right-of-use assets.

Trade receivables and contract assets amounted to €163.0 million at 30 June 2022 compared to €143.4 million at 31 December 2021. This increase in trade receivables reflects the strong growth in revenue and the seasonal impact in H1 which mechanically prolonged the receivables collection period. This is because the number of days sales outstanding (DSO) amounted to 86 compared to 78 at 31 December 221. This in turn will result in a negative change in working capital requirements which are expected to decrease by the end of the year.

Cash and cash equivalents amounted to €67.2 million compared to €79.5 million six months earlier.

Gross financial debt excluding lease liabilities amounted to €3.7 million at 30 June 2022 compared to €4.7 million at the end of 2021.

This reflected a net cash position (excluding lease liabilities) of €63.5 million.

In addition, the main items impacting net debt were as follows:

- cash flows from operating activities of €2.8 million, after taking into account the decrease in working capital of €17.5 million,
- €1.1 million in capital expenditures for intangible assets and property, plant and equipment,
- €10.1 million for dividends paid to shareholders,
- 1.3 million for the repayment of bank loans.

Organisation

There were no changes impacting the Group's overall structure.

Buyout of non-controlling interests, acquisition of equity interests in or disposals of companies, mergers

Buyout of non-controlling (minority) interests

None.

Acquisitions of equity interests

No equity interests were acquired in the 2022 first half within Aubay Group.

Mergers

None.

Principal risks and uncertainties for the remaining six months of the fiscal year

There have been no substantial changes in the risk factors as presented in the Universal Registration Document filed with the AMF (*Autorité des Marchés Financiers*), the French financial market authority, on 19 April 2022 (No. D.22-0303) in the first half period under review.

Material subsequent events after 30 June 2022

There have been no material events to report since 30 June 2022.

2022 outlook

(Unaudited data)

Given the excellent performance in the first half, sustained commercial activity and positive growth momentum, Aubay is now expecting growth for the full year of 9%, representing the upper end of its revenue target range or €513 million.

The target for the operating margin on ordinary activities remains unchanged at between 9.5% and 10.5%.

Board of Directors

CONDENSED INTERIM FINANCIAL STATEMENTS

1. Consolidated statement of financial position

ASSETS (€ 000s)	30/06/2022	31/12/2021
Goodwill	131,305	131,305
Intangible assets	894	917
Property, plant and equipment	4,422	4,156
Right-of-use assets for leases	15,799	14,152
Equity-accounted investees	-	
Other financial assets	2,070	2,102
Deferred tax assets	2,321	2,653
Other non-current assets	360	354
NON-CURRENT ASSETS	**157,171**	**155,639**
Inventories and work in progress	772	491
Contract assets	45,418	32,127
Trade receivables and related accounts	117,592	111,359
Other receivables and accruals	37,668	37,082
Marketable securities	707	1,026
Cash at bank and in hand	66,459	78,461
CURRENT ASSETS	**268,616**	**260,546**
TOTAL ASSETS	**425,787**	**416,185**

EQUITY AND LIABILITIES (€ 000s)	30/06/2022	31/12/2021
Capital	6,634	6,611
Additional paid-in capital and consolidated reserves	214,256	188,740
Net income attributable to equity holders of the parent	17,329	34,409
Shareholders' equity attributable to equity holders of the parent	**238,219**	**229,760**
Attributable to non-controlling interests	187	191
SHAREHOLDERS' EQUITY	**238,406**	**229,951**
Borrowings and financial liabilities: non-current portion	1,903	2,155
Lease liabilities: non-current portion	10,944	10,198
Deferred tax liabilities	1	1
Provisions for contingencies and expenses	6,367	6,924
Other non-current liabilities	192	74
NON-CURRENT LIABILITIES	**19,407**	**19,352**
Borrowings and financial liabilities: current portion	1,774	2,500
Lease liabilities: current portion	5,257	4,366
Trade payables and related accounts	36,646	35,981
Contract liabilities	14,777	19,913
Other payables and accruals	109,520	104,122
CURRENT LIABILITIES	**167,974**	**166,882**
TOTAL EQUITY AND LIABILITIES	**425,787**	**416,185**

2. Consolidated income statements

(€ 000s)	30/06/2022	%	30/06/2021	%
Revenue	**258,480**	**100 %**	**233,095**	**100 %**
Other operating income	120		200	
Purchases used in production and external charges	(57,932)		(46,850)	
Staff costs	(167,789)		(158,452)	
Taxes other than on income	(2,197)		(1,935)	
Amortisation, depreciation and provisions	(3,925)		(3,758)	
Change in inventories of work in progress and finished goods				
Other operating income and expenses	(157)		157	
Operating profit from ordinary activities	**26,600**	**10.3 %**	**22,457**	**9.6 %**
Expenses linked to restricted share unit awards and similar share-based payments	(635)		(527)	
Current operating profit	**25,965**	**10.0 %**	**21,930**	**9.4 %**
Other operating income and expenses	(941)		(613)	
Operating profit	**25,024**	**9.7 %**	**21,317**	**9.1 %**
Income from cash and cash equivalents				
Net borrowing costs	(244)		(260)	
Other financial income and expenses	(321)		329	
Net financial income (expense)	**(565)**		**69**	
Tax expenses	(7,091)		(5,776)	
Income from equity-accounted investees				
Net income before results of discontinued operations or assets held for sale	**17,368**		**15,610**	
Net income after tax of discontinued operations or assets held for sale				
Net income	**17,368**	**6.7 %**	**15,610**	**6.7 %**
Attributable to shareholders	17,329		15,583	
Attributable to non-controlling interests	39		27	
Basic weighted average number of shares	13,252,256		13,208,860	
Earnings per share	**1.31**		**1.18**	
Diluted weighted average number of shares	13,332,256		13,283,360	
Diluted earnings per share	**1.30**		**1.17**	

Consolidated statement of comprehensive income (€ 000s)

Net income and gains and losses recognised directly in equity	**30/06/2022**	**30/06/2021**
Translation adjustments	(21)	**43**
Revaluation of hedging derivatives		
Items that will not be subsequently recycled through profit or loss	**(21)**	**43**
Actuarial gains and losses on retirement schemes	639	**236**
Other impacts		
Items that will not be recycled through profit or loss	**639**	**236**
Net gains and loss recognised directly in equity attributed to the Group	**618**	**279**
Net income	**17,368**	**15,610**
Gains and losses recognised directly in equity attributed to the Group	618	**279**
COMPREHENSIVE INCOME	**17,986**	**15,889**
Attributable to Group shareholders	*17,947*	*15,862*

3. Consolidated statement of cash flows

(€ 000s)	30/06/2022	30/06/2021
Consolidated net income (including non-controlling interest)	**17,368**	**15,610**
Income from equity-accounted investees		
Net allowances for amortisation, depreciation and provisions and right-of-use assets for leases	3,816	3,554
Non-cash expenses and income relating to share-based payments	635	527
Other non-cash items		
Dividend income	(57)	
Gains and losses on disposals of fixed assets	(6)	18
Cash flow after net interest expense and tax	**21,756**	**19,709**
Net borrowing costs	244	260
Tax expense (including deferred taxes)	7,091	5,776
Cash flow before net interest expense and tax (A)	**29,091**	**25,745**
Income tax payments (B)	(8,798)	(4,816)
Change in trade and other receivables (C)	(21,165)	(22,178)
Change in trade and other payables (C)	3,702	7,697
Net cash provided by (used in) operating activities (D) = (A+B+C)	**2,830**	**6,448**
Outflows for the acquisition of tangible and intangible fixed assets	(1,102)	(460)
Inflows from the disposal of tangible and intangible fixed assets	6	
Outflows for the acquisition of financial assets	(4)	(68)
Inflows from the disposal of financial assets		
Change in loans and advances granted	50	248
Outflows (inflows) linked to business combinations net of cash acquired		
Dividends and grants received	57	
Net cash provided by (used in) investing activities	**(993)**	**(280)**
Proceeds from capital increases		
Amounts received upon the exercise of stock options		
Purchases of treasury shares for cancellation		
Purchases of and proceeds from the sale of treasury shares		
Dividends paid in the period		
Net dividends paid to parent company shareholders	(10,075)	(4,340)
Dividends paid to the non-controlling shareholders of consolidated companies	(44)	
Inflows from new borrowings		115
Repayment of financial debt	(1,272)	(2,168)
Repayment of lease liabilities	(2,818)	(2,165)
Net interest payments	(244)	(260)
The purchase of non-controlling interests (put options)		
Other financial flows		
Net cash provided by (used in) financing activities (F)	**(14,453)**	**(8,818)**
Effects of changes in foreign exchange rates (G)	**(11)**	**(31)**
Change in net cash (D+E+F+G)	(12,627)	(2,681)
Opening cash and cash equivalents	**79,056**	**52,205**
Closing cash and cash equivalents	**66,429**	**49,524**

4. Changes in consolidated shareholders' equity

	Share capital	Additional paid-in capital and consolidated reserves	Net income attributable to owners of the parent	Equity attributable to of the Group	Non-controlling interests	Total
Shareholders' equity at 1 January 2022	**6,611**	**188,740**	**34,409**	**229,760**	**191**	**229,951**
Capital increase	23	(23)	-	-	-	0
Share-based payments	-	567	-	567	-	567
Dividends paid	-	(10,075)	-	(10,075)	(43)	(10,118)
Net income appropriation	-	34,409	(34,409)	-	-	0
Net income for the period	-	-	17,329	17,329	39	17,368
Change in treasury shares	-	(67)	-	(67)	-	(67)
Transactions with non-controlling interests	-	-	-	-	-	0
Flows related to equity-accounted investments	-	-	-	-	-	0
Other changes	-	87	-	87	-	87
Other comprehensive income	-	618	-	618	-	618
Shareholders' equity at 30 June 2022	**6,634**	**214,256**	**17,329**	**238,219**	**187**	**238,406**

	Share capital	Additional paid-in capital and consolidated reserves	Net income attributable to owners of the parent	Equity attributable to of the Group	Non-controlling interests	Total
Shareholders' equity at 1 January 2021	**6,604**	**170,017**	**26,132**	**202,752**	**144**	**202,896**
Capital increase	7	(7)	-	-	-	0
Share-based payments	-	492	-	492	-	492
Dividends paid	-	(4,340)	-	(4,340)	(25)	(4,365)
Net income appropriation	-	26,132	(26,132)	-		0
Net income for the period	-	-	15,583	15,583	27	15,610
Change in treasury shares	-	8	-	8	-	8
Transactions with non-controlling interests	-	-	-	-	-	0
Flows related to equity-accounted investments	-	-	-	-	-	0
Other changes	-	1	-	1	-	1
Other comprehensive income	-	279	-	279	-	279
Shareholders' equity at 30 June 2021	**6,611**	**192,582**	**15,583**	**214,775**	**146**	**214,921**

5. Notes to the consolidated financial statements

Accounting policies

Aubay Group prepared its consolidated financial statements in compliance with IFRSs (International Financial Reporting Standards) in effect as of 30 June 2022, as adopted by the European Union. Interim financial statements are prepared in accordance with the same rules and methods as those used to prepare the annual financial statements. The condensed interim financial statements for 2022 first half were prepared in accordance with the provisions of IAS 34 "Interim financial reporting". As such, they do not include all the information required for the annual financial statements and should be read in conjunction with the 2021 Universal Registration Document.

New standards and interpretations applicable in 2022

The rules and accounting methods applied to the interim financial statements are identical to those used to prepare the annual financial statements for the period ending on 31 December 2021, with the exception of new standards entering into effect for periods beginning on or after 1 January 2022:

- Amendments to IFRS 3: Update to references to the Conceptual Framework,
- Amendments to IAS 16: Accounting for proceeds before an asset's intended use,
- Amendments to IAS 37: Onerous contracts - Cost to be taken into account when recognising a provision for onerous contracts,
- Annual Improvements to IFRSs 2018-2020 Cycle: Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

These new texts had no impact on the Group's consolidated financial statements.

The impact of the Ukrainian crisis on the interim consolidated financial statements for the first six months of 2022 is as follows:
In response to the outbreak of the Ukrainian crisis on 24 February 2022, the Group announced that it does not engage in any activities in any of the regions directly concerned (Ukraine, Russia, Belarus). As a result, there was no direct impact on the Group's activities However, the Group remains attentive to the potential effects this major crisis could have on its own customers and the resulting impacts.

These financial statements were approved by the Board of Directors on 14 September 2022.

Consolidation methods: Companies over which Aubay exercises exclusive control, whether directly or indirectly, are fully consolidated. Exclusive control is presumed to exist when Aubay holds the majority of a company's voting rights, exercises contractual control or power to manage a company's operations.
The equity method is applied to the financial statements of companies in which Aubay exercises significant influence but without control. Equity accounting involves recognising in the income statement the Group's share in the associate's profit or loss for the year. The carrying amount of the investment is adjusted is adjusted to reflect cumulative changes after the acquisition date of the equity interests. The Group's investments in associates include goodwill.

Financial reporting periods and consolidation dates: All companies are consolidated based on their interim financial statements for the six-month periods ending 30 June 2022, and restated, as applicable, in accordance with Group accounting principles. The consolidation date for companies on first-time consolidation is the date the shares acquired in these companies is legally transferred. This same principle applies in the case of deconsolidation. To this end, financial statements are prepared for all acquired companies.

Translation of foreign financial statements: Only the United Kingdom's subsidiary (Aubay UK) is concerned by translation differences, as all other companies of the Group are in the Eurozone.

- Assets and liabilities are translated at the closing rate at the end of the reporting period;
- Income, expenses and cash flows are translated at the average exchange rate for the period;
- All resulting translation differences are recognised as a separate component of equity.

Goodwill: Goodwill arises from the difference between the purchase price of shares of companies and the Group's share in restated net assets acquiree. This difference in value is divided between:

(1) Identifiable balance sheet items classified under the appropriate headings in accordance with applicable accounting rules.
(2) Goodwill for the unallocated balance.

The purchase price and its allocation must be finalised within 12 months from the acquisition date. Negative goodwill is recognised as a gain directly in the statement profit or loss.

Acquisition-related costs incurred by the Group in connection with a business combination is recognised under "other operating expenses" in the period incurred.

Put options written on non-controlling interests (business combinations) are accounted for as share buybacks to be recognised as an operating debt and offset by a reduction in non-controlling interests for the year they are recorded (full goodwill method). Amounts recognised are calculated according to commitments incurred, and mainly a multiple of earnings for the subsidiaries in question. Any year-on-year changes in debt related to changes in estimates are offset against "Other operating income and charges".

Goodwill is tested for impairment whenever there is evidence of impairment and at once a year at the end of the reporting period. This test consists of comparing the recoverable amount of cash generating units (CGU) or CGU groups with the net carrying value of the corresponding assets including goodwill.

Goodwill is allocated and tested for impairment by CGU or CGU group, i.e. by geographical market (France, Italy, Spain, Portugal and Belux) corresponding to the level at which the rates of returns on these investments are monitored. The Group's organisational structure provides for one legal entity per region (by integrating the companies followed by their merger).

The recoverable value of each CGU or CGU group is the value in use as determined from the discounted cash flow method. Its measurement is based on:

- criteria derived from the budget process and forecasts over a period of five years, including the rates of growth and return considered reasonable,
- a perpetuity growth rate was based on the growth potential of all CGUs or the CGU group set at 2.5% at 31 December 2021, based on an analysis of past experience and prospects for future development
- a discount rate before representing the weighted average cost of capital (WACC) applied to cash flow projections of 7.2 % at 31 December 2021 for all CGUs or the CGU group (euro zone) This rate was based on the analysis of external sources of information, and notably a benchmark originating from financial analysts.

However, it is considered that the recoverable value of each CGU or CGU group may not be less than 0.6 times the revenue of the CGU or CGU group in question, except in special cases.

When an impairment loss is recognised, the difference between the carrying value of the asset and the remeasured value is charged in priority to goodwill and recognised under "Other operating income and expenses".

Goodwill impairment charges are irreversible.

At 30 June 2022, Aubay reviewed those items which could indicate a decrease in the recoverable value of the CGUs or groups of CGUs in the 2022 first half. In particular, Aubay analysed the performance at 30 June 2022 of the CGUs or groups of CGUs in comparison with the estimates used at 31 December 2021.

Aubay management thus concluded that at 30 June 2022, there was no evidence of a decline in the recoverable value of the CGUs or groups of CGUs in comparison with 31 December 2021 based on the sensitivity analyses performed.

Intangible assets:
Licenses and software: Licenses and software acquired with full title are amortised over a maximum of five years using the straight-line method except for inexpensive software packages which are amortised on a time proportion basis in the year acquired. Internally generated software and solutions providing lasting and measurable economic benefits are capitalised and subject to amortisation over the same periods.
The cost of internally generated software and solutions are those associated directly with their production, i.e. expenses linked to payroll costs of employees having developed the software.

Property, plant and equipment:

(1) Property, plant and equipment are recognised at cost and depreciated over their expected useful lives.

(2) By exceptions, they are subject to the same depreciation schedules used for the parent company financial statements (excluding items eligible for special tax depreciation provisions).

These items are generally depreciated according to the straight-line method:

Buildings	20 years
Fixtures and fittings	5 to 10 years
IT equipment	3 to 5 years
Office furniture and equipment	3 to 5 years

IFRS 16 leases:
The Group recognises a lease when it obtains substantially all of the economic benefits from use of the asset and it possesses a right to control the use of this asset.
On the lease inception date, the value of the right-of-use asset for leases corresponds to the lease liability adjusted for the initial direct costs for implementing the lease, advance payments, benefits received from lessors on this date and exceptional costs, if any, that the lessee will incur at the end of the lease term. The value of the liability for the asset is initially calculated in reference to the present value of future payments over the binding contractual lease term, after taking into account the options for renewal or termination that it can reasonably expect to be exercised. The discount rate corresponds to the incremental borrowing rate of the Group, estimated on the basis of market data available and applied according to the these terms, without any differentiation on the basis of “country risks” given that the Group operates exclusively in the Eurozone.

This rate is based on market data available on this date, in accordance with the residual lives of the leases as from 1 January 2019. Lease payments take into account fixed lease instalments and variable payments linked to an index or interest rate when they are known at the lease inception date. For vehicles, they do not take into account the service component which may be included in leases recognised under expenses.

Right-of-use assets for leases are amortised over the terms used to calculate the lease liabilities. These items are depreciated according to the straight-line method.

Property leases	3 to 9 years
Vehicle leases	3 to 5 years
Leases for computer and other equipment	3 to 5 years

The recoverable value of values in use is tested for impairment when events or changes in the market environment indicate a risk of an other-than-temporary impairment. The procedures for conducting impairment tests are identical to those applied for goodwill, property, plant and equipment and intangible assets as described in the note “Goodwill”.

The presentation of lease liabilities in the balance sheet is separated into current (less than one year and non-current (more than one year) portions.
In the income statement, amortisation and depreciation expenses are recognised under allowances for amortisation, depreciation and provisions of operating profit from ordinary activities. Interest expenses on lease liabilities are included under net financial income.
The cost relating to leases corresponding to assets with a low unit value (<US$5000) or short-term leases (<12 months) continue to be recognised under operating expenses.

Trade receivables:
Receivables are stated at nominal value. They are assessed individually and, when necessary, a provision for depreciation is recorded to cover potential collection risks.

Cash and cash equivalents: Cash and cash equivalents include cash assets immediately available for sale and subject to an insignificant risk of short-term changes in value. Marketable securities are recognised in the balance sheet at cost. A provision for impairment is recognised when the carrying value is less than the acquisition cost.

Treasury shares: Aubay shares held by the parent company are deducted from consolidated shareholders' equity. Gains or losses from disposals are eliminated in changes in shareholders' equity.

Grants and tax credits: operating grants and tax credits are deducted from expenses presented according to the function of expense method (mainly staff costs for the Research Tax Credit).

Provisions: The Group adheres to the provisions of IAS 37. This standard defines a liability as a balance sheet item with a negative value for the company, and namely an obligation towards a third party for which it is probable or certain to result in an outflow of resources to this third-party with no equivalent consideration expected in return.

When business combinations are recognised, the Group may record provisions (for contingencies, litigation, etc.) in the opening balance sheet. These provisions constitute liabilities that create or increase the amount of goodwill. After the twelve-month allocation period from the opening balance sheet, the reversal of unused provisions resulting from changes in estimates as defined in IAS 8 are recorded in the income statement under "Other operating income and expenses".

Provisions for pensions and similar obligations: In compliance with IAS 19, the Group records long-term post-employment benefits or benefits contingent on accruing seniority within the Group such as retirement severance benefits (*indemnités de départ à la retraite*), etc. These benefits may be provided under different types of plans:

- Defined-contribution plans for which the Group pays defined benefits to external organisations. The corresponding expenses are recognised as they are paid.
- Defined-benefit plans under which the Group has an obligation towards employees. The characteristics of these plans vary according to the laws and regulations which apply in each country.

In France, the main actuarial assumptions applied to measure defined-benefit plan obligations are as follows:

- Retirement age: 67 years
- Average salary of reference: 1/13th of annual remuneration excluding bonuses
- Salary escalation rate: 2 %
- Social security contributions: 45 %
- Discount rate: 3.22 %
- Turnover ratio: based on the company's own table
- Life expectancy according to the INSEE 2021 table

In Italy, the provision corresponds to the legal severance payments (TFR or *Trattamento di Fine Rapporto*). These severance benefits are recorded each year for a percentage of gross annual salary and payable to employees at the end of their employment contract.

In Spain, Belgium and Luxembourg, there are no pension liabilities.

Measurement and recognition of financial liabilities: Long-term financial debt includes mainly bank borrowings, bonds and put options written on non-controlling interests.

Bonds are measured on their issue date at fair value and then recognised until maturity according to the amortised cost method. On the bond issue date, fair value is defined as the present value of future outflows at the market rate. In addition, issuance costs and bond issue premium are deducted from the fair value of the bond. The difference between the nominal value of the bond and its fair value as calculated above is recognised in shareholders' equity. For each period thereafter, interest expense recorded in the statement of profit or loss represents the theoretical interest expense calculated by applying the effective interest rate to the carrying value of the debt. The effective interest rate is calculated when the bond is subscribed and corresponds to the rate used to bring future outflows in line with the initial fair value of the bond. The difference between the interest expense as calculated above and the nominal interest is recognised as an offset to the bond in the balance sheet under liabilities.

Revenue: Revenue is recognised when a contract exists between the Group and its customer. A contrast is considered to exist if it is probable that the consideration to which the Group is entitled to in exchange for the goods or services will be collected, the payment terms can be identified, and the parties undertake to perform their respective obligations. The revenue generated from contracts with customers is recognised in exchange for an asset of the contract or trade receivable before actual payment.*
The method for recognising revenues and costs depends on the nature of the services rendered.

Resources-based contracts

Revenue from resources-based contracts are recognised as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value for the customer of the performance completed to date. Each obligation to provide services is recognised in revenue on a proportionate performance basis as the customer receives and consumes the benefits of the services provided in a continuous manner. The price of services is based on the number of hours spent on the contract and the amount to be billed is representative of the value of the service delivered to the customer. Revenue is recognised over time based on the hours of work performed while the costs related to resources-based contracts are expensed as incurred.

Deliverables-based contracts

Deliverables-based contracts typically include fixed price projects (construction of an asset application, specific developments for a customer, etc.).
For deliverables-based contracts, revenues are generally recognised over time, because at least one of the following condition is met:

- The service of the Group improves an asset of which the customer obtained control over the period the services are performed,
- The Group builds an asset that has no alternative use other than as used by the customer and the Group has an irrevocable right to payment for performance to date according to the contractual conditions and local laws.

The related costs on deliverable-based contracts are expensed as incurred.

Services-based contracts

Services-based contracts include infrastructure management, application management and business services (application management and third-party testing services, services centres…). Contract terms typically range from 3 to 5 years.
Services are generally built on a monthly basis, based on a fixed-price per work unit consumed, or based on monthly fixed fees subject to adjustment mechanisms for volume or scope changes.
These contracts generally provide for service-level penalties.
Recurring services are generally considered as constituting a single performance obligation, comprised of a series of distinct daily units of service delivered over time. Revenue on services-based contracts is recognised as rights to invoice arise. Service-level penalties or bonuses, if any, are accrued in full over the period when the performance targets are failed or achieved, as appropriate.

Resale activities

The Group resells software and hardware purchased from third-party suppliers. When the asset or service is distinct from the other services provided by the Group, it assesses whether it is acting as an agent or a principal in the purchase and resale transaction.
According to IFRS 15, the Group is considered as a "principal" when it obtains control of the software, hardware and services before their transfer to the customer. In such case, the transaction is presented on a gross basis.
If the Group acts as an “agent”, the transaction is recorded on a net basis (amounts charged by suppliers are recorded as a deduction to revenue) and corresponding to the Group's compensation and commissions as an agent.

Contract costs – costs to obtain and fulfil contracts

Incremental costs incurred for obtaining contracts are never capitalised as "contract costs) and amortised over the lifespan of the contract. This also applies to costs associated with the transition and transformation phases.
If the budgeted cost of a contract comes to exceed the contractual amount of sales, a provision for losses on completion is recorded at the end of the reporting period.

Presentation in the consolidated statements of financial position

Contract assets are presented separately from trade receivables. This represents revenue recognised for which the corresponding rights to receive consideration are contingent on a condition other than the passage of time, notably the future performance of the Group and the achievement of invoicing milestones or the customer acceptance.
When customer contract assets cease to be contingent, except for the passage of time (unbilled receivables), they convert into trade receivables.
Contract liabilities represent consideration received or receivable and recognised under liabilities in advance of performance (the payments from customers and prepaid income).

Other operating income and expenses:: This includes items that are infrequent, unusual in nature, unforeseeable and involving significant amounts. For example, this includes restructuring costs, goodwill impairment charges, capital gains and losses from disposals, the costs of acquisitions and the integration of companies acquired by the Group;

Stock options: In accordance with IFRS 2, stock options are to be recognised under expenses at fair value on the date they are granted to employees or managers. This provision applies to plans established after 7 November 2002. Stock options are measured using the Black & Scholes model based on criteria that include namely, the exercise price of the options, their lifespan, the share price on the grant date, the implied volatility of the share price, employee turnover assumptions and the risk-free interest rate. The exact value of the options is set on their grant date. This value is amortised according to the straight-line method.

Restricted stock awards (*actions gratuites*): performance shares are granted to selected employees and officers of the Group subject to market performance and service conditions (2 to 3 years). The stock market benchmark is the "STOXX Europe TMI Software & Computer Services". The fair value of the share is determined by applying a model complying with IFRS 2 ("Monte Carlo") that includes the share price on the grant date, the implied volatility of the share price, the risk-free interest rate, the dividend yield for the period, the benchmark price on the grant date.

Corporate income tax: Tax expenses are equal to the sum of current taxes, deferred taxes plus certain local French and Italian business taxes (namely the CVAE and IRAP respectively). Deferred taxes are calculated according to the expiration periods for tax liabilities under the different local tax regimes and to the probability that future taxable profit will be available against which unused tax losses can be utilised.

Earnings per share: Basic earnings per share are calculated by dividing net income attributable to Group equity holders by the weighted average number of shares outstanding in the period.
Diluted earnings per share are calculated by dividing net income attributable to Group equity holders, restated to eliminate the financial cost, net of tax, of dilutive debt instruments, by the weighted average number of shares outstanding in the period, increased by the average number of shares to be issued through the following dilutive instruments: stock options and performance stock awards in the money at 30 June 2022.

Use of estimates: Producing financial statements according to IFRS requires the use of estimates and assumptions which affect the amounts presented in the financial statements, and concerning namely the following items:
- the measurement of provisions and pension liabilities;
- measurements used for impairment tests;
- the measurement of share-based payments;
- the measurement of financial liabilities.

These estimates are based on assumptions established according to information available when the financial statements were prepared. They may be revised if there is a change in the circumstances on which they are based or on obtaining new information. Actual results may differ from the estimates.

Alternative performance measures:

The following internal performance measures are used by the Group:

Organic or like-for-like revenue growth:

Growth at constant structure for a given period, excluding revenues of companies acquired or disposed of since the previous period. Because Aubay 's business is concentrated in the euro zone, it is completely or virtually unaffected by changes in exchange rates.

Operating profit from ordinary activities

This indicator corresponds to operating profit before the cost of restricted stock units (free shares) and other unusual, significant or infrequent income and expenses shown on a separate line to present a clearer view of the performance generated from recurring operations.

Current operating profit

This indicator corresponds to operating profit from ordinary activities after the cost of restricted stock units (free shares) and before other income and expenses that are unusual, significant or infrequent and shown on a separate line in order to present a clearer view of the performance generated from recurring operations.

Net debt (or net cash):

This indicator represents the difference between an entity's cash and financial debt. If the result is negative, it is referred to as net debt. If it is positive, it is referred to as net cash. Lease liabilities are not included in net debt.

Notes to the balance sheet

Changes in the Group structure in the 2022 first half

No acquisitions were carried out in the 2016 first half.

Goodwill

(€ 000s)	Beginning of period	Acquisitions/increases	Disposals/reversals	End of period
Gross value	149,082	-	-	149,082
Amortisation	(17,777)	-	-	(17,777)
Value	131,305	-	-	131,305

Right-of-use (ROU) assets and lease liabilities

Breakdown of ROU assets by lease category

(€ 000s)

	Land and buildings	Vehicles	Machinery and equipment	Total
Gross amounts				
At 01/01/2022	**23,162**	**3,473**	**897**	**27,532**
Acquisitions/Increases	4,061	768	51	4,880
Disposals/Decreases	-1,278	-511	-233	-2,022
At 30/06/2022	**25,945**	**3,730**	**715**	**30,390**
Amortisation				
At 01/01/2022	**-11,245**	**-1,847**	**-288**	**-13,380**
Allowances and impairment	-2,135	-510	-148	-2,793
Reversals and disposals	937	467	178	1,582
At 30/06/2022	**-12,443**	**-1,890**	**-258**	**-14,591**
Net values				
At 30/06/2022	**13,502**	**1,840**	**457**	**15,799**

(€ 000s)	Land and buildings	Vehicles	Machinery and equipment	Total
Gross amounts				
At 01/01/2021	**24,748**	**3,097**	**723**	**28,568**
Acquisitions/Increases		994	174	1168
Disposals/Decreases	-1586	-618		-2204
At 31/12/2021	**23,162**	**3,473**	**897**	**27,532**
Amortisation				
At 01/01/2021	**-7,704**	**-1,464**	**-789**	**-9,957**
Allowances and impairment	-4029	-1317		-5346
Reversals and disposals	488	934	501	1923
At 31/12/2021	**-11,245**	**-1,847**	**-288**	**-13,380**
Net values At 31/12/2021	**11,917**	**1,626**	**609**	**14,152**

Breakdown of lease liabilities by maturity

(€ 000s)

At 30/06/2022	Carrying value	Current	Non-current	1 to 2 years	2 to 5 years	> 5 years
Lease liabilities	**16,201**	5,257	10,944	3,545	6,022	1,377

(€ 000s)

At 31/12/2021	Carrying value	Current	Non-current	1 to 2 years	2 to 5 years	> 5 years
Lease liabilities	**14,564**	4,366	10,198	4,184	6,014	0

Trade receivables and related accounts linked to leases

(€ 000s)	**30/06/2022**	**31/12/2021**
Trade receivables - Gross value	119,331	112,513
Impairment	(1,739)	(1,154)
Contract assets	45,418	32,127
Trade receivables and contract assets	**163,010**	**143,486**
Contract liabilities	(14,777)	(19,913)
Trade receivables and contract assets net of contract liabilities	**148,233**	**123,573**
Days sales outstanding (DSO)	**85**	**78**

Dealings in own shares in the 2022 first half

Number of treasury shares held at 01/01/2022	11,236
Acquisitions/Disposals 2022 (net)	1,387
Number of treasury shares held at 30/06/2022	12,623

Changes in provisions

(€ 000s)	**30/06/2022**	**31/12/2021**
Provisions for litigation contingencies	2,432	2738
Provisions for pensions and retirement benefits	3,935	4186
Total	**6,367**	**6,924**

Breakdown of deferred taxes

(€ 000s)	Opening	Increase	Decrease	Closing amount
Deferred tax assets	-	-	-	-
Tax loss carryforwards	0	-	-	0
- Temporary differences	2,653	45	377	2,321
Total deferred tax assets	**2,653**	**45**	**377**	**2,321**
Deferred tax liabilities	-	-	-	-
- Temporary differences	1	-		1
Total deferred tax liabilities	**1**	**0**		**1**

Borrowings, financial debts and cash

At 30 June 2022

	30/06/2022			**31/12/2021**
(€ 000s)	**Amount**	**Less than 1 year**	**More than 1 year**	**Amount**
Bank debt	2,940	1,037	1,903	4,224
Creditor banks	737	737	-	431
Other financial liabilities		-	-	0
DEBT	**3,677**	**1,774**	**1,903**	**4,655**
Marketable securities	707	-	-	1,026
Cash at bank and in hand	66,459	-	-	78,461
Cash at bank and in hand	**67,166**	**-**	**-**	**79,487**
(NET DEBT)/NET CASH	**63,489**	**(1,774)**	**(1,903)**	**74,832**

Cash and cash equivalents (€ 000s)	**30/06/2022**	**31/12/2021**
Cash at bank and in hand	66,459	78,461
Short-term investments	707	1,026
Bank overdrafts	(737)	(431)
Total cash and cash equivalents	**66,429**	**79,056**

Off-balance sheet commitments

There were no significant changes having affected off-balance sheet commitments to report.

Transactions with related parties

There were no significant transactions with related parties in the 2022 first half.

Notes to the income statement

Income statement highlights by region and business segment

	30/06/2022		30/06/2021	
In €m	Revenue	Operating margin on ordinary activities* (%)	Revenue	Operating margin on ordinary activities* (%)
Group	**258.5**	**10.3 %**	**233.1**	**9.6 %**
France/UK	131.4	8.7 %	118.3	8.2 %
International	127.1	11.9 %	114.8	11.1 %

*Operating profit from ordinary activities as a % of revenue

30 June 2022			
(€ millions) - Operating Segment	**France/UK**	**International**	**Total**
Geographical regions			
France/UK	131.4		131.4
Italy		60.8	60.8
Iberian Peninsula		55.3	55.3
Benelux		10.9	10.9
Total	**131.4**	**127.1**	**258.5**
Customer business sectors			
Banking/Finance	63.8	35.1	98.9
Insurance and personal protection coverage	41.5	10.1	51.6
Public sector	1.8	14.8	16.6
Services/Utilities	11.0	21.7	32.7
Industry & Transport	5.1	8.5	13.6
Telecoms, Media & Gaming	5.4	33.9	39.3
Retail and distribution	2.8	3.0	5.8
Total	**131.4**	**127.1**	**258.5**
Revenue recognition method			
Goods/services on a proportional performance basis	131.4	126.7	258.1
Goods/services on completed sales basis		0.4	0.4
Total	**131.4**	**127.1**	**258.5**

30 June 2021

(€ millions) - Operating Segment	France/UK	International	Total
Geographical regions			
France/UK	118.3		118.3
Italy		57.3	57.3
Iberian Peninsula		46.8	46.8
Belux		10.7	10.7
Total	**118.3**	**114.8**	**233.1**
Customer business sectors			
Banking/Finance	54.5	34.1	88.6
Insurance and personal protection coverage	40.3	10.6	50.9
Public sector	1.9	14.3	16.2
Services/Utilities	7.4	16.5	23.9
Industry & Transport	7.7	7.9	15.6
Telecoms, Media & Gaming	5.2	29.7	34.9
Retail and distribution	1.3	1.7	3.0
Total	**118.3**	**114.8**	**233.1**
Revenue recognition method			
Goods/services on a proportional performance basis	118.3	114.6	232.9
Goods/services on completed sales basis		0.2	0.2
Total	**118.3**	**114.8**	**233.1**

At 30 June 2022 (€ 000s)	France/UK	International	Inter-segment eliminations	Total
Revenue	131,650	127,311	(481)	258,480
Total operating profit from ordinary activities	**11,466**	**15,134**	**0**	**26,600**
Operating margin from ordinary activities	8.7 %	11.9 %		10.3 %
Operating profit	**10,061**	**14,963**	**0**	**25,024**

At 30 June 2021 (€ 000s)	France/UK	International	Inter-segment eliminations	Total
Revenue	118,482	115,086	(473)	233,095
Operating profit from ordinary activities	**9,667**	**12,790**	**0**	**22,457**
Operating margin from ordinary activities	8.2 %	11.1 %		9.6 %
Operating profit	**8,807**	**12,510**	**0**	**21,317**

Staff costs

(€ 000s)	30/06/2022	30/06/2021
Salaries	124,268	117,451
Social charges	43,172	40,630
Net allowances for provisions for retirement	349	371
Total	**167,789**	**158,452**
Revenue	**258,480**	**233,095**
Ratio Staff costs/Revenue	64.9 %	68.0 %

Headcount end of reporting period	30/06/2022	30/06/2021
France	2,801	2,650
Belgium/Luxembourg	217	211
Italy	2,162	2,048
Spain/Portugal	2,262	1,979
Total	**7,442**	**6,888**

Consultants	6,841	6,378
Consultants (%)	91.9 %	92.5 %
Administration and sales	601	510
Total	**7,442**	**6,888**

Other operating income and expenses

(€ 000s)	30/06/2022	30/06/2021
Net non-recurring items	(941)	(613)
Gains and losses on disposals of fixed assets		
Remeasurement of liabilities linked to put options of non-controlling interests	-	-
Total	**(941)**	**(613)**

Non-recurring expenses consist mainly of restructuring and M&A expenses.

Income tax expenses

(€ 000s)	30/06/2022	30/06/2021
Current taxes	(6,760)	(5,764)
Deferred taxes	(331)	(12)
Total	**(7,091)**	**(5,776)**

Current tax includes €5.7 million in income tax and €1.1 million in local French and Italian business taxes (namely the CVAE and IRAP respectively).

AUDITORS' REPORT
ON THE INTERIM FINANCIAL STATEMENTS

For the period from January 1, 2021 to 30 June 2022

This is an unsigned free translation into English of the auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders of Aubay

In accordance with the terms of our appointment by your General Meeting, and in accordance with Article L. 451-1-2 III of the French monetary and financial code, we hereby submit our report regarding:

- the limited review of the accompanying interim condensed consolidated financial statements of Aubay SA for the six-month period ending 30 June 2022;

- The verification of the information given in the interim management report.

These interim condensed financial statements were prepared under the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these statements based on our limited review.

1 Review of the financial statements

We have conducted our limited review in accordance with the professional standards applicable in France.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is substantially less than for an audit conducted in accordance with generally accepted audit standards in France. As such, it provides a moderate assurance that the financial statements as a whole are free of material misstatements that is lower than that which would result from an audit.
Based on our review, nothing has come to our attention that causes us to believe that the interim accompanying condensed consolidated financial statements were not prepared in all material respects in accordance with IAS 34 – standard of the IFRS as adopted by the European Union governing interim financial reporting.

2 Specific procedures and disclosures

We have also reviewed the information in the interim report commenting on the interim condensed consolidated financial statements that were the subject of our limited review.
We have no matters to report regarding its fair presentation and consistency with the interim consolidated financial statements.

Paris and Paris-La Défense, 23 September 2022
The Statutory Auditors

[*French original signed by*:]

BCRH & Associés — Constantin Associes

Paul GAUTEUR — Antoine Labarre

RESPONSIBILITY STATEMENT FOR THE ORIGINAL FRENCH VERSION OF THE INTERIM FINANCIAL REPORT

"To the best of my knowledge, and in accordance with applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements of the company and all consolidated operations provide a fair view of its assets and liabilities, financial position and earnings, and the interim management report provides a fair view of material events of the first six months, their impact on the interim financial statements, the main transactions with related parties as well as a description of the key risks and uncertainties for the remaining six months."

Philippe Rabasse
Chief Executive Officer of Aubay Group