

2021

Interim Financial Report



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KEY FINANCIAL INFORMATION

KEY FIGURES FOR THE PERIOD

In millions of euros ⁽¹⁾	30/06/2021	30/06/2020	Total change	Organic change ⁽²⁾
Revenue	430.1	387.2	+11.1%	+7.5%
Operating margin	49.6	35.8	+38.5%	
As % of revenue	11.5%	9.3%	+2.3 pt	
Operating income	45.3	31.4	+43.9%	
As % of revenue	10.5%	8.1%	+2.4 pt	
Net income - Group share	26.0	16.4	+58.8%	
Diluted earnings per share ⁽³⁾	€3.16	€1.99	+59.0%	
Net cash (debt) at closing⁽⁴⁾	95.2	92.4	+€2.8 million	

⁽¹⁾ The financial statements were approved by the Supervisory Board on 6 September 2021.

⁽²⁾ At comparable perimeter and exchange rates.

⁽³⁾ Based on the weighted average number of shares for the year.

⁽⁴⁾ Cash position net of all financial debts, excluding debts related to operating leases under IFRS 16 "Leases".

INTERIM MANAGEMENT REPORT

INTERIM HIGHLIGHTS

The revenue in the first half of 2021 amounted to €430.1 million, up by 11.1% compared to the first half of 2020 (7.5% at constant scope and exchange rates). Changes in the scope of consolidation had a positive effect of 3.8 points on growth, while the change in exchange rates had a negative impact on growth by 0.2 point.

The operating margin increased by 38.5% in volume to €49.6 million, i.e. 11.5% of revenue, compared to €35.8 million and 9.3% of revenue in the first half of 2020. The operating margin for the first half of 2021 includes 4.4 million in public subsidies (mainly partial activity) as well as a positive effect due to fewer employees taking leave over the period due to successive restrictive measures through Europe; an effect that the Group believes should reverse in the second half of the year.

As a reminder, this operational performance compares with the first half of 2020 impacted by the COVID-19 health crisis from mid-March.

At 30 June 2021, the Group had 8,238 employees, an increase of 615 people over the half-year. In the first half of the year, the attrition rate of resources was 29% and the activity rate was 82.3%.

The financial situation remains healthy, with the net cash position of €95.2 million at 30 June 2021 being stable compared to the same period of the previous year.

During the period, the Group continued its external growth policy with the acquisitions of Nubalia Cloud Computing, a specialist in the integration of Google solutions in Spain and Portugal, and of Integrity, a specialist in cybersecurity based in Portugal, in February and June 2021, respectively. In addition, the Group finalised the sale of its remaining minority stake in Siticom GmbH in Germany.

RESULTS BY GEOGRAPHICAL AREA

In millions of euros	H1 2021	H1 2020	2020
France			
Contribution* to revenue	193.0	173.6	341.5
Variation	11.2%		
L-f-I variation	9.0%		
Operating margin	23.6	19.0	41.8
In % of Group contribution	12.2%	10.9%	12.2%
International			
Contribution* to revenue	240.2	216.4	424.3
Variation	11.0%		
L-f-I variation	6.4%		
Operating margin	31.3	20.2	43.2
In % of Group contribution	13.0%	9.3%	10.2%
HQ & divestments			
Contribution* to revenue	(3.1)	(2.7)	(5.4)
Operating margin	(5.2)	(3.3)	(11.3)
Total			
Contribution* to revenue	430.1	387.2	760.4
Variation	11.1%		
L-f-I variation	7.5%		
Currency impact	-0.2%		
Perimeter impact	3.8%		
Operating margin	49.6	35.8	73.7
In % of Group contribution	11.5%	9.3%	9.7%

* See definition in Note 5.2 of the 2021 interim financial report.

Including impact of significant acquisitions on the contribution to revenue:

In millions of euros	H1 2021
France	3.8
Ysance, consolidated as of 31 December 2020	3.8
International	10.9
Inviso, consolidated as of 1 July 2020	4.9
Fourcast, consolidated as of 1 August 2020	4.2
Nubalia, consolidated as of 1 March 2021	1.8

ANALYSIS OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Analysis of the consolidated income statement

The **revenue** in the first half of 2021 amounted to €430.1 million, up by 7.5% at constant scope and exchange rates compared to the previous financial year.

The **operating margin**, defined as the current operating profit excluding the impact of share-based payments and amortisation of intangible assets related to acquisitions, stood at €49.6 million in the first half of 2021, representing 11.5% of revenue.

The **operating income** amounted to €45.3 million, a clear increase compared to the first half of 2020. It does, however, include restructuring costs of €3.0 million mainly in Germany and €2.9 million of goodwill impairment of the German entities.

The **financial result** was -€2.7 million. It included a €0.3 million foreign exchange loss, a €0.5 million interest expense on the bond issue, a €0.3 million cost related to the application of IFRS 16, and €1.4 million of short-term Group financing costs (confirmed lines of credit and factoring).

The **income tax** expense amounted to €12.5 million. It represented 29.5% of the profit before tax, against 36.4% in the first half of 2020. Excluding the effects of non-taxable profits and other exceptional items, the Group's standardised tax rate was 26.4% in the first half of 2021. The tax rate has thus fallen compared to last year, as a result of tax reform in France.

The **net income attributable to the shareholders of the Group** increased by 58.8%, from €16.4 million in the first half of 2020 to €26.0 million in the first half of 2021.

Consolidated balance sheet analysis

The main items of the consolidated balance sheet changed as follows during the first half of 2021:

In millions of euros	30 June 2021	31 December 2020	Change	Main reasons for the change
Non-current assets	252.9	221.7	31.2	The change is mainly due to the recognition of new goodwill for €13.5 million related to external growth operations (Nubalia) as well as the takeover of the entity Integrity in Portugal classified as non-consolidated as of 30 June 2021 for €16.0 million. This change was partially offset by the impairment of the Germany CGU for an amount of €2.9 million, as well as the disposal of the minority stake in Siticom GmbH for an amount of -€1.9 million.
Operating receivables	350.7	304.6	46.1	The change in operating receivables is mainly due to the increase in trade receivables for €35.7 million as well as in prepaid expenses for €10.2 million. Due to the seasonality of the activity, the days of sales outstanding (DSO) increased from 46 days at the end of December 2020 to 49 days at the end of June 2021.
Cash and cash equivalents*	131.1	153.1	(22.0)	See below
Equity attributable to the Group	209.6	214.7	(5.1)	The change is due to the recognition of income for the period in the amount of €26.0 million, scope effects of -€24.3 million, and a foreign exchange effect of €0.5 million.
Minority shareholders' equity	14.5	16.5	(2.0)	Non-controlling interests (see Note 4.9.4 to the consolidated financial statements).
Non-current liabilities	86.1	72.0	14.1	The increase in non-current liabilities is mainly due to the change in liabilities related to put options and earn-outs for €10.6 million.
Current liabilities	424.5	376.2	48.3	The increase in current liabilities is mainly due to the increase in trade payables for €16.7 million, contract liabilities for €9.8 million and tax and social security liabilities for €13.5 million in line with the Group's growth.

* **Cash and cash equivalents** (net of €2.9 million in bank overdrafts) decreased by €22.0 million during the half-year to stand at €131.1 million. This change is due to:

- Positive **cash flow from operating activities** of €37.9 million resulting from a substantial increase in operating cash flow (defined as the total operating cash flows before the impact of WCR and taxes paid) to €60.8 million (versus €41.9 million at 30 June 2020) and a seasonal increase in WCR of -€13.2 million (versus €20.8 million at 30 June 2020) mainly due to (i) the improvement in the days of sales outstanding (DSO), which stood at 49 days (compared with 46 days at 31 December 2020 and 63 days at 30 June 2020), and (ii) the impact of the postponement in the previous year of social-security charges and tax due dates under the COVID-19 government measures for €20.5 million.
- Negative **cash flow from investing activities** of €26.7 million over the period (versus -€1.7 million at 30 June 2020) mainly due to the effect of cash outflows related to acquisitions of subsidiaries (less cash acquired) for €25.2 million.
- Negative **cash flow from financing activities** of €33.6 million (versus -€9.0 million at 30 June 2020), which includes in particular:
 - a net cash outflow of €23.9 million related to transactions on non-controlling interests;
 - a net outflow from borrowings for €1.8 million;
 - the repayment of lease liabilities associated with the right-of-use assets (IFRS 16) for €7.4 million;
 - an increase in outstanding receivables sold, net of security deposit for €3.7 million;
 - the payment of dividends to non-controlling shareholders for €2.1 million.

The Group's financial situation remains sound since the **cash position net of borrowings** (excluding lease liabilities related to the application of IFRS 16) stands at €95.2 million and breaks down as follows:

<i>In millions of euros</i>	30 June 2021	31 December 2020
Short-term investments	10.2	10.1
Cash at bank	123.8	144.5
Bank overdrafts (liability)	(2.9)	(1.5)
Cash and cash equivalents	131.1	153.1
Cash management assets	-	-
Bonds	-	-
Draw-downs on bank and similar facilities and other borrowings	(3.5)	(1.7)
Long-term borrowings	(3.5)	(1.7)
Bonds	(30.0)	(30.4)
Draw-downs on bank and similar facilities and other borrowings	(2.5)	(1.2)
Short-term borrowings	(32.5)	(31.6)
Total borrowings	(36.0)	(33.3)
Derivative instruments	-	-
Net cash*	95.2	119.8
Total equity	224.1	231.2
Debt to equity ratio	-42.5%	-51.8%

* During the first half of 2021, net cash included the positive impact (net of security deposits) of agreements to transfer non-recourse trade receivables amounting to €15.5 million, compared with €11.4 million at 31 December 2020.

RELATED PARTIES

Agreements between related parties have been identified in the condensed consolidated financial statements at 30 June 2021 (Note 6.2).

KEY RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2021

The nature and level of risks to which the Group is exposed have not significantly changed compared to the risk factors presented on pages 21 to 27 of the annual financial report for 2020.

OUTLOOK FOR THE SECOND HALF OF 2021

The Group has decided not to disclose any outlook for the second half of the year.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS In thousands of euros	Note	30 June 2021	31 December 2020
Goodwill	4.3	157,309	146,725
Other intangible assets	4.1	3,057	3,427
Tangible assets	4.2	10,728	10,978
Right-of-use assets	4.4	44,927	42,947
Non-current financial assets	4.5	26,757	7,156
Investments in associates	4.6	450	2,358
Deferred tax assets		9,135	7,876
Other non-current assets	4.13	493	249
NON-CURRENT ASSETS		252,856	221,716
Trade receivables	4.7	268,940	233,249
Other receivables	4.7	73,875	61,380
Tax receivables	4.7	3,987	5,263
Other current financial assets	4.8.1	3,918	4,677
Cash and cash equivalents	4.8.2	134,028	154,631
CURRENT ASSETS		484,748	459,199
TOTAL ASSETS		737,603	680,915

LIABILITIES AND EQUITY In thousands of euros	Note	30 June 2021	31 December 2020
Share capital	4.9.1	1,263	1,263
Share premium		1,934	1,934
Consolidated reserves		183,953	174,914
Treasury shares		(973)	(1,263)
Translation reserves		(2,526)	(3,007)
Profit for the year		25,978	40,829
EQUITY ATTRIBUTABLE TO THE GROUP		209,629	214,670
Minority shareholders' equity	4.9.4	14,459	16,518
TOTAL EQUITY		224,088	231,188
Loans and borrowings	4.10	3,480	1,694
Lease liabilities	4.4	32,398	31,241
Provisions	4.11	3,652	3,842
Provisions for pension commitments	4.11	4,925	4,800
Deferred tax liabilities		1,190	1,110
Other liabilities	4.12	40,469	29,276
NON-CURRENT LIABILITIES		86,114	71,962
Loans and borrowings	4.10	35,387	33,132
Lease liabilities	4.4	13,154	12,330
Provisions	4.11	12,841	9,979
Trade payables	4.7	93,168	76,450
Tax and social security liabilities	4.7	150,919	137,429
Income tax payable	4.7	10,289	8,539
Other liabilities	4.7	111,642	99,906
CURRENT LIABILITIES		427,400	377,765
TOTAL LIABILITIES		513,515	449,727
TOTAL EQUITY & LIABILITIES		737,603	680,915

CONSOLIDATED INCOME STATEMENT

In thousands of euros, except earnings per share	Note	30 June 2021	30 June 2020
NET REVENUE	5.2	430,069	387,236
Other income		-	-
CURRENT OPERATING INCOME		430,069	387,236
Purchase of merchandise		(5,570)	(3,787)
Other purchases and external expenses		(80,007)	(82,297)
Taxes		(1,005)	(2,841)
Payroll expenses		(283,625)	(250,700)
Fixed assets depreciation		(9,699)	(9,485)
Increase in provision from current assets		(515)	(2,277)
Other expenses		2	0
CURRENT OPERATING EXPENSES		(380,420)	(351,386)
OPERATING MARGIN		49,649	35,849
Cost of share-based payment	5.3	234	(311)
Amortisation of customer relationships acquired under business combinations		(500)	(575)
CURRENT OPERATING PROFIT		49,384	34,963
Other operating income	5.4	2,200	219
Other operating expenses	5.4	(6,321)	(3,735)
OPERATING PROFIT		45,263	31,447
Financial income	5.5	499	193
Financial expenses	5.5	(3,239)	(2,809)
FINANCIAL INCOME		(2,740)	(2,615)
Share of profit of associates		(47)	1,198
PROFIT BEFORE INCOME TAX		42,476	30,030
Income tax expense	5.6	(12,537)	(10,926)
NET INCOME		29,940	19,104
Attributable to:			
Equity holders of the parent company		25,978	16,362
Minority shareholders' equity	4.9.4	3,961	2,741
Basic earnings per share (euro)		3.16	2.00
Diluted earnings per share (euro)		3.16	1.99

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

In thousands of euros	30 June 2021	30 June 2020
Profit for the year	29,940	19,104
Defined benefit plan actuarial gains (losses)	-	-
Items that will never be reclassified to profit or loss	-	-
Foreign currency translation differences	587	(828)
Items that are or may be reclassified subsequently to profit or loss	587	(828)
Other comprehensive income (loss) for the year, net of income tax	587	(828)
Total comprehensive income for the period	30,527	18,275
<u>Of which:</u>		
Equity holders of the parent company	26,490	15,541
Minority shareholders' equity	4,036	2,734

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	30 June 2021	30 June 2020
Profit for the year	29,940	19,104
Adjustments for:		
Share of profit of associates	47	(1,198)
Income tax expense	12,537	10,926
Amortisation and provision	15,890	11,005
Other transactions without impact on cash and cash equivalents	1,719	375
Income from asset disposals	(1,768)	234
Net interests income	2,402	1,481
Change in net working capital	(13,158)	20,839
Income tax paid	(9,737)	(6,828)
Cash flow from operating activities	37,871	55,937
Purchase of fixed assets	(2,806)	(1,731)
Purchase of financial assets	(4,820)	(1,545)
Proceed from sale of fixed assets	759	8
Dividends received	(0)	1,050
Proceed from sale of financial assets	5,340	1,132
Proceed of subsidiaries, net of cash divested	(0)	(88)
Acquisition of subsidiaries, net of cash acquired	(25,166)	(548)
Cash flow from investing activities	(26,693)	(1,720)
Repayments of borrowings	(1,446)	(648)
Proceeds from borrowings	(354)	11
Repayment of lease liabilities	(7,432)	(7,162)
Change in factored receivables (net of security deposit)	3,692	2,685
Interests paid	(2,084)	(759)
Acquisition of non-controlling interests	(23,922)	(2,271)
Reduction in ownership interests while retaining control	56	31
Dividends paid	(2,134)	(875)
Cash flow from financing activities	(33,625)	(8,987)
Net change in cash and cash equivalents	(22,447)	45,229
Net cash and cash equivalents at year start	153,101	81,592
Effect of exchange rate fluctuation on cash held	486	(957)
Cash at end of period	131,139	125,865
Cash and cash equivalents in the balance sheet	134,030	128,036
Bank overdrafts	(2,890)	(2,172)
Cash and cash equivalents in the consolidated statement of cash flows	131,139	125,865

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euros, except per share data)	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves	Translation reserves	Total equity - Owners of the Company	Minority shareholders' equity	Total equity
Balance at 1 January 2021	8,332,407	1,263	1,934	(1,382)	215,861	(3,007)	214,670	16,518	231,188
Total comprehensive income for the period									
Profit for the year					25,978		25,978	3,961	29,940
Other comprehensive income (1)					33	481	514	75	588
Total comprehensive income for the period					26,011	481	26,492	4,036	30,528
Transactions with owners of the Company									
<u>Contributions and distributions</u>									
Dividends paid in respect of the 2020 financial year					(0)		(0)	(2,121)	(2,121)
Valuation of payments based on shares					(260)		(260)	-	(260)
Operations on equity instruments					-		-	-	-
Adjustment related to the number and value of own shares				290	(208)		83	-	83
Capital increase through exercise of options							-		-
Total contributions and distributions	-	-	-	290	(468)	-	(177)	(2,121)	(2,299)
<u>Changes in ownership interests</u>									
Acquisition and disposal of NCI without change in control					(24,604)		(24,604)	(3,381)	(27,985)
NCI on the acquisition/creation/disposal of subsidiaries					(6,711)		(6,711)	(578)	(7,289)
Total changes in ownership interests	-	-	-	-	(31,315)	-	(31,315)	(3,959)	(35,274)
Other movements				-	(41)	-	(41)	(15)	(56)
Total transactions with owners of the Company	-	-	-	290	(31,823)	-	(31,533)	(6,096)	(37,628)
Balance at 30 June 2021	8,332,407	1,263	1,934	(1,091)	210,050	(2,526)	209,629	14,459	224,088

(1) Details provided in the statement of comprehensive income.

(In thousands of euros, except per share data)	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves	Translation reserves	Total equity - Owners of the Company	Minority shareholders' equity	Total equity
Balance at 1 January 2020	8,332,407	1,263	1,934	(1,264)	196,556	(2,154)	196,334	15,050	211,385
Total comprehensive income for the period									
Profit for the year					16,362		16,362	2,741	19,104
Other comprehensive income (1)					(14)	(807)	(821)	(7)	(828)
Total comprehensive income for the period					16,348	(807)	15,541	2,734	18,275
Transactions with owners of the Company									
<u>Contributions and distributions</u>									
Dividends paid in respect of the 2019 financial year					(0)		(0)	(1,405)	(1,405)
Valuation of payments based on shares					215		215		215
Operations on equity instruments									
Adjustment related to the number and value of own shares									
Capital increase through exercise of options									
Total contributions and distributions	-	-	-	-	214	-	214	(1,405)	(1,190)
<u>Changes in ownership interests</u>									
Acquisition and disposal of NCI without change in control					(1,938)		(1,938)	(217)	(2,156)
NCI on the acquisition/creation/disposal of subsidiaries					(0)		(0)	(11)	(11)
Total changes in ownership interests	-	-	-	-	(1,938)	-	(1,938)	(229)	(2,167)
Other movements (2)				-	(499)	-	(499)	(1)	(500)
Total transactions with owners of the Company	-	-	-	-	(2,223)	-	(2,223)	(1,635)	(3,858)
Balance at 30 June 2020	8,332,407	1,263	1,934	(1,264)	210,681	(2,962)	209,652	16,149	225,802

(1) Details provided in the statement of comprehensive income.

(2) Mainly corresponds to the adjustment to the goodwill of the Spanish CGU and the TMNS and Jayway put options.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

(Amounts in thousands of euros, unless otherwise stated)

Note 1 - Nature of the business and significant events

Devoteam SA (the Company), the parent company of the Group, founded in 1995, is a limited liability company (*société anonyme*) with share capital of €1,263,015, governed by the provisions of French law. The company is registered in the Nanterre Trade and Companies Register under number 402 968 655; its registered office is located at 73 rue Anatole France, 92300 Levallois-Perret.

Devoteam SA has been traded on Euronext Paris (ISIN FR 0000073793) since 28 October 1999 (Eurolist compartment B).

Devoteam, a European consulting and engineering group, is a major player in business consulting in the fields of innovative technologies and management. With over 25 years of experience in innovative and disruptive technologies, the Group supports its clients through the digital transformation of their organisational structure and their businesses.

During the period, the Group continued its external growth policy with the acquisitions of Nubalia Cloud Computing, a specialist in the integration of Google solutions in Spain and Portugal, and of Integrity, a specialist in cybersecurity based in Portugal, in February and June 2021, respectively. In addition, the Group finalised the sale of its remaining minority stake in Siticom GmbH in Germany.

The company's condensed interim consolidated financial statements for the six months to 30 June 2021 include the company and its subsidiaries ("the Group"), as well as the Group's share of the results of associates and jointly controlled companies.

The condensed consolidated interim consolidated statements at 30 June 2021 and the notes were prepared by the Management Board and approved at its meeting of 6 September 2021.

Note 2 - Consolidation principles and methods

2.1 Statement of compliance

The condensed interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information required for the annual financial statements and should be read in conjunction with the 2020 financial report.

The IFRS principles used in the interim financial statements at 30 June 2021 are those published in the *Official Journal of the European Union* before 30 June 2021 and available on the European Commission website (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en). They are consistent with the IFRS published by the IASB.

The Group chose not to apply any standards, amendments or interpretations early.

2.2 Basis of measurement and presentation currency

Unless otherwise stated, the financial statements are presented in thousands of euros (the company's functional currency), rounded to the nearest thousand. They are based on historical cost, except for the following:

- Derivative financial instruments measured at fair value;
- Financial instruments at fair value through profit or loss;
- Available-for-sale financial assets measured at fair value;
- Contingent considerations arising from business combinations;
- Investment property measured at fair value;
- Liabilities arising from share-based payments settled using treasury shares measured at fair value;
- Net liabilities (assets) in respect of defined-benefit plans.

2.3 Use of estimates and judgements

The preparation of financial statements under IFRS requires the use of judgements, estimates and assumptions to determine the value of assets and liabilities and income and expenses for the period. These measurements are based on the experience gained by the Group and other factors considered reasonable under the prevailing circumstances. Actual amounts may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognised during the period of the change, if the change affects that period only, or during the period of the change and future periods, if the change affects both.

The significant judgements made by the Management to apply the Group's accounting policies in preparing the summarised interim consolidated financial statements and the principal sources of uncertainty in the estimates did not differ significantly from those affecting the consolidated financial statements for the financial year ended 31 December 2020.

2.4 Significant accounting policies

Basis of preparation of the interim consolidated financial statements

The accounting policies applied by the Group in the condensed interim consolidated financial statements are identical to those used and described in the consolidated financial statements for the financial year ended 31 December 2020. These accounting policies have been applied consistently by all Group entities.

Note 3 - Scope of consolidation

3.1 Scope of consolidation

The consolidated financial statements at 30 June 2021 include the financial statements of Devoteam SA and the financial statements of companies controlled directly or indirectly by the Group, as well as companies over which the Group has significant influence.

The main companies included in the scope of consolidation of the Devoteam Group are set out below. Entities without activity are not included below.

Companies (SIREN)	Share of capital held as a %		Consolidation method	
	2021.06	2020.12	2021.06	2020.12
France				
Devoteam SA	Parent company	Parent company	Parent company	Parent company
Devoteam Management Consulting FR	100% (1)	80.20%	FC	FC
Devoteam Outsourcing	100.00%	100.00%	FC	FC
Exaprobe ECS MEE	35.00%	35.00%	EM	EM
S'Team Management	100.00%	100.00%	FC	FC
RVR Parad	95.00%	95.00%	FC	FC
Siticom	99% (2)	95.16%	FC	FC
Devoteam G Cloud	100.00%	100.00%	FC	FC
Be Team	71.99% (3)	69.72%	FC	FC
Devoteam G Maps	100% (4)	94.22%	FC	FC
Axance (formerly Axance People)	100% (5)	76.49%	FC	FC
DBSE	100% (6)	94.40%	FC	FC
Axance Technology	100% (5)	76.49%	FC	FC
myG	100.00%	100.00%	FC	FC
Technologies & Opérations	92.87% (7)	85.85%	FC	FC
Devoteam Customer Effectiveness	86.53% (8)	69.22%	FC	FC
Fi-Makers	90.96% (9)	85.54%	FC	FC
Myfowo.com	99.73%	99.73%	FC	FC
D2SI	82.06%	82.06%	FC	FC
Devoteam NexDigital	91.38% (10)	81.00%	FC	FC
Devoteam Modern Applications	80% (11)	63.19%	FC	FC
MEL SAS	100% (12)	78.99%	NC	FC
Slag Management	87.5% (2)	75.00%	FC	FC
Ysance	100.00%	100.00%	FC	FC
Maxance	100% (13)	0.00%	FC	NC
DMCH	100% (1)	0.00%	FC	NC
SOUTH AFRICA				
Nubalia Computing Ltd	75.00% (14)	0.00%	FC	NC
GERMANY				
Devoteam Germany	100.00%	100.00%	FC	FC
Siticom GmbH	0% (15)	35.00%	NC	EM
DVT S Team	100.00%	100.00%	FC	FC
Devoteam Alegri GmbH	100.00%	100.00%	FC	FC
Alegri Personal Service GmbH	100.00%	100.00%	FC	FC
AUSTRIA				
Devoteam Consulting Austria	100.00%	100.00%	FC	FC
Devoteam Technology GmbH	100.00%	100.00%	FC	FC
BENELUX				
Devoteam NV/SA	100% (16)	99.71%	FC	FC
DFSJ	50% (17)	48.95%	EM	EM
Devoteam Management Consulting BE	93% (1)	71.85%	FC	FC
Devoteam Luxembourg SA	100.00%	100.00%	FC	FC
Devoteam Consulting Holding	100.00%	100.00%	FC	FC
Devoteam Communication	100.00%	100.00%	FC	FC
Devoteam Netherlands BV	90% (18)	80.00%	FC	FC
TMNS Netherlands	90% (18)	80.00%	FC	FC
Fourcast Group NV	70.00%	70.00%	FC	NC
Fourcast Group BV	70.00%	70.00%	FC	NC
Fourcast Netherlands BV	63.00%	63.00%	FC	NC
UNITED ARAB EMIRATES				
Devoteam Middle East FZ LLC	76.00%	76.00%	FC	FC
SPAIN				

Devoteam Spain SAU	100.00%	100.00%	FC	FC
Keivox	35.01%	35.01%	EM	EM
Desarrollo de procesos de implantacion S.L.	100.00%	100.00%	FC	FC
Drago Solution SAU	100.00%	100.00%	FC	FC
Softoro Development Center SAU	100.00%	100.00%	FC	FC
Devoteam Cloud Services	90.15% (19)	88.08%	FC	FC
New Business Intelligence Company S.L.	100.00%	100.00%	FC	FC
Nubalia Cloud Computing SLU	75% (14)	0.00%	FC	NC
UNITED STATES				
Jayway Inc	85.28% (20)	75.01%	FC	FC
Devoteam Cloud Services US (formerly Avalon Solutions Inc)	87.50%	87.50%	FC	FC
IRELAND				
Voxpilot Limited	100.00%	100.00%	FC	FC
INDONESIA				
Devoteam Cloud Services ID	100.00%	100.00%	FC	NC
ITALY				
Devoteam Italy SRL	20.00%	20.00%	FC	FC
MOROCCO				
Devoteam Morocco SARL	51.00%	51.00%	FC	FC
Devoteam Services Morocco SARL	100.00%	100.00%	FC	FC
Devoteam Consulting Morocco	75.00%	75.00%	FC	FC
MEXICO				
Devoteam Mexico	99.00%	99.00%	FC	FC
Devomex Cloud Services	98.00%	98.00%	FC	FC
PANAMA				
Drago Solutions Corp. PANAMA	100.00%	100.00%	FC	FC
POLAND				
Avalon Solutions Sp Zoo	87.50%	87.50%	FC	FC
PORTUGAL				
Bold International SA	61.00%	61.00%	FC	FC
Bold Wealth Lda	61.00%	61.00%	FC	FC
Diamond by Bold Lda	61.00% (21)	39.65%	FC	FC
OutFit	64.40% (22)	56.00%	FC	FC
TechSensys Lda	61.00%	61.00%	FC	FC
Nubalia Cloud computing LDA	75.00% (14)	0.00%	FC	NC
CZECH REPUBLIC				
Devoteam SRO	90.00%	90.00%	FC	FC
UNITED KINGDOM				
Devoteam UK Limited	94.80%	95.60%	FC	FC
TMNS Digitisation Solutions Limited	0% (23)	95.60%	NC	FC
Devoteam Cloud Services Ltd (formerly Avalon Solutions)	87.50%	87.50%	FC	FC
Devoteam Management Consulting Ltd	0% (24)	71.09%	FC	FC
Fourcast Cloud Services Ltd	70.00%	75.00%	FC	FC
RUSSIA				
Media-tel LLC	42.50% (25)	40.40%	EM	EM
SCANDINAVIA				
DVT Management Consulting DK	100.00% (26)	90.00%	FC	FC
DVT Technology Consulting DK	90.00%	90.00%	FC	FC
Jayway ApS	85.28% (20)	75.01%	FC	FC
Devoteam Cloud Services DK	87.50%	87.50%	FC	FC
Jayway Malmö AB	85.28% (20)	75.01%	FC	FC
Jayway Holding AB	85.28% (20)	75.01%	FC	FC
Øredev AB	85.28% (20)	75.01%	FC	FC
Sädesmagasinet Förvaltnings AB	85.28% (20)	75.01%	FC	FC
Devoteam Cloud Services SE (formerly Avalon Solutions AB)	87.50%	87.50%	FC	FC
Fornebu Consulting AS	100.00%	100.00%	FC	FC
DVT Smart Flow AS	0% (27)	100.00%	FC	FC
Devoteam Cloud Services NO (formerly Avalon Solutions AS Norway)	87.50%	87.50%	FC	FC
Inviso by DVT	70.00%	70.00%	FC	FC
Inviso software by DVT	70.00%	70.00%	FC	FC
Studio Vues AS	75.00% (28)	69.96%	FC	FC
DVT Cloudify AS	75.00% (28)	69.28%	FC	FC
SERBIA				
TMNS Serbia DOO	100% (29)	80.00%	FC	FC
SINGAPORE				
Avalon Solutions PTE	87.50%	87.50%	FC	FC
SLOVAKIA				
Devoteam Slovakia	90.00%	90.00%	FC	FC
SWITZERLAND				
Devoteam Switzerland	90.00%	90.00%	FC	FC
Alegri AG	0% (30)	100.00%	FC	FC
TUNISIA				
Devoteam Tunisia	75.00%	75.00%	FC	FC
Devoteam Technology Consulting	75.00%	75.00%	FC	FC
TURKEY				
Devoteam Information Technology and Consultancy AS (formerly Secura)	100.00%	100.00%	FC	FC

FC: Full consolidation; EM: Equity method; NC: Not consolidated

- (1) Acquisition of 100% of the share capital of DMCH, holding company of Devoteam Management Consulting FR and BE. The Group's stakes in Devoteam Management Consulting FR and in Devoteam Management Consulting BE now stand at 100% and 93%, respectively.
- (2) Additional acquisition of 12.5% of the share capital of Slag Management, the holding company of Siticom. Following this acquisition, the Group's stake in Slag Management is 87.5% and the stake in Siticom is 99%.
- (3) Increase in the equity interest linked to the additional acquisition of 21.01% of MEL's share capital. The Group's equity interest is now 71.99%.
- (4) Additional acquisition of 2% of the share capital of Devoteam G Maps and additional increase linked to the additional acquisition of 21.01% of the share capital of MEL. The Group's stake now stands at 100%.
- (5) Increase of 12% in Axance's share capital through buybacks of non-controlling interests, additional increase linked to the acquisition of 100% of the share capital of Maxance, the holding company of Axance - the parent company of Axance Technology. The Group's stake now stands at 100%.
- (6) Increase in the equity interest linked to the additional acquisition of 21.01% of MEL's share capital. The Group's stake now stands at 100%.
- (7) Additional acquisition of 3.87% of the share capital of Technologies & Opérations and additional increase linked to the additional acquisition of MEL. The Group's stake now stands at 92.87%.
- (8) Increase of the stake related to the acquisition of an additional 21.01% of the share capital of MEL and the increase in the Group's stake in Devoteam Management Consulting FR. The Group's equity interest is now 86.53%.
- (9) Acquisition of an additional 5.42% of the share capital of Fi-Makers. The Group's equity interest is now 90.96%.
- (10) Acquisition of an additional 6.04% of the share capital of Devoteam NexDigital and additional increase linked to the additional acquisition of 21.01% of the share capital of MEL. The Group's equity interest is now 91.38%.
- (11) Increase in the equity interest linked to the additional acquisition of MEL. The Group's equity interest is now 80%.
- (12) Additional acquisition of 21.01% of the share capital of MEL. The Group's stake now stands at 100%.
- (13) Acquisition of 100% of the share capital of Maxance, the holding company of Axance.
- (14) Acquisition of 75% of the share capital of Nubalia Cloud Computing SLU (Spain), parent company of the Nubalia group.
- (15) Disposal of the minority stake in Siticom GmbH.
- (16) Acquisition of an additional 0.28% of Devoteam NV/SA. The Group's stake now stands at 100%.
- (17) Increase in the equity interest linked to the additional acquisition of 21.01% of MEL's share capital. The Group's equity interest is now 50%.
- (18) Acquisition of an additional 10% of the share capital of Devoteam Netherlands BV. The Group's stake now stands at 90%.
- (19) Increase in the equity interest linked to the additional acquisition of 21.01% of MEL's share capital. The Group's equity interest is now 90.15%.
- (20) Acquisition of an additional 10.27% of the share capital of Sädsmagasinet Förvaltnings AB, the holding company of the Jayway Group. The Group's equity interest is now 85.28%.
- (21) Acquisition by Bold International SA of an additional 21.35% stake in Diamond by Bold Lda.
- (22) Increase in the equity interest linked to the additional acquisition of MEL's share capital. The Group's equity interest is now 64.40%.
- (23) Liquidation of TMNS Ltd.
- (24) Liquidation of Devoteam Management Consulting Ltd.
- (25) Increase in the equity interest linked to the additional acquisition of 21.01% of MEL's share capital. The Group's stake now stands at 42.50%.
- (26) Additional acquisition of Devoteam Management Consulting DK. The Group's equity interest is now 100%.
- (27) Merger of Smart Flow AS into Fornebu Consulting AS.
- (28) Increase in the equity interest linked to the additional acquisition of 21.01% of MEL's share capital. The Group's equity interest is now 75%.
- (29) Increase in the equity interest related to the internal sale by TMNS Netherlands of its stake in TMNS Serbia to Devoteam SA. The Group's stake now stands at 100%.
- (30) Liquidation of Alegri AG.

3.2 Changes during the period

3.2.1 Acquisitions

On 24 February 2021, the Group acquired 75% of the shares of Nubalia Cloud Computing SL in Spain, a specialist in the integration of Google solutions in Spain and Portugal. Nubalia generated revenue of €17.5 million in 2020 (local accounting standards) and has a workforce of 53 employees. This acquisition was consolidated from 1 March 2021.

On 9 June 2021, the Group acquired 75% of the shares of Integrity, a cybersecurity specialist based in Portugal. The company generated revenue of €5.5 million in 2020 and has a workforce of 72 employees. This acquisition will be consolidated from 1 July 2021. The shares acquired are presented as non-current financial assets at 30 June 2021.

Net assets of the acquired companies

In thousands of euros	Nubalia
Fixed assets	707
Trade and other receivables	8,639
Cash and cash equivalents	4,030
Current and non-current provisions	-
Trade and other payables	(15,687)
Net assets and liabilities	(2,311)

Goodwill

The provisional goodwill resulting from the acquisition was calculated as follows:

In thousands of euros	Nubalia
Consideration transferred as part of the takeover	11,750
Of which contingent consideration	-
Non-controlling interest measured as a share of the net identifiable assets recorded	(578)
Fair value of the previously acquired investment	
Less fair value of net identifiable assets	2,311
Goodwill	13,484

Acquisition accounting and evaluation period:

The impact of the first-time consolidation carried out in the first half of 2021 and in 2020 (acquisitions and controlling interests) on the Group's financial statements is presented below:

In thousands of euros	Transactions in 2021	Transactions in 2020*
Revenue	1,801	12,214
Current operating profit	552	2,057
Profit for the year	383	1,533
Total assets	13,316	18,097
Changes in WCR	(610)	(569)

* Concerns the acquisitions of Inviso, Fourcast and Ysance in 2020.

3.2.2 Disposals

On 1 June 2021, the Group sold its remaining 35% stake in Siticom GmbH. The entity was consolidated using the equity method and exited the consolidation scope on 31 May 2021. This disposal generated a capital gain of €1.9 million, recorded under "Other operating income".

During the first half of the year, the Group also sold the balance of its stake in Inflexys in France without any significant impact on the financial statements.

Note 4 - Information on the consolidated statement of financial position

4.1 Intangible assets

During the first half of the year, the Group made no significant intangible asset purchases.

4.2 Tangible assets

During the first half of 2021, the Group acquired tangible assets for €2,543 thousand (versus €1,184 thousand in the first half of 2020). These mainly consist of improvements to business premises and IT equipment for the Group's operational needs.

4.3 Goodwill

At 30 June 2021, goodwill comprised:

In thousands of euros	30 June 2021			31 December 2020		
Goodwill	Goodwill gross	Cumulative impairment losses	Net goodwill	Goodwill gross	Cumulative impairment losses	Net goodwill
Germany CGU	36,848	(14,297)	22,551	36,848	(11,401)	25,447
France CGU	33,776	(1,328)	32,448	33,776	(1,328)	32,448
Scandinavia CGU	23,985	-	23,985	23,890	-	23,890
Spain CGU	19,794	-	19,794	6,310	-	6,310
Devoteam Netherlands CGU	13,916	(1,533)	12,382	13,916	(1,533)	12,382
Inviso CGU	8,919	-	8,919	8,913	-	8,913
Jayway CGU	8,700	-	8,700	8,767	-	8,767
Devoteam UK	8,491	(4,923)	3,568	8,433	(4,923)	3,510
Avalon CGU	7,275	(1,650)	5,625	7,330	(1,650)	5,680
Belux CGU	6,860	-	6,860	6,860	-	6,860
Fourcast CGU	6,169	-	6,169	6,169	-	6,169
Bold CGU	4,846	-	4,846	4,846	-	4,846
Other net goodwill under €2,200 thousand	4,996	(3,534)	1,462	5,048	(3,546)	1,502
Total	184,575	(27,266)	157,309	171,106	(24,382)	146,725

Details of the entities are provided in Note 3.2 to the 2020 financial statements.

The nature of the Group's business results in the recognition of significant goodwill. In a business combination, the Group primarily acquires human capital.

Net goodwill increased by €10,584 thousand in the first half of 2021, due to:

- the increase in goodwill for €13,484 thousand, related to the takeover of the Nubalia entity in Spain;
- the recognition of the impairment loss of the Germany CGU for €2,896 thousand;
- the exchange rate effects recorded for -€3 thousand.

Impairment tests:

The Group has not carried out systematic impairment tests to estimate the recoverable value of its CGUs. The Group maintained its usual method of identifying CGUs where there was an indication of impairment, mainly based on a negative deviation of actual compared with budgeted results for the first half and the entire year. The CGUs identified using this method are Germany and Tunisia.

At 30 June 2021, an impairment loss was recorded on the Germany CGU for €2,896 thousand due in particular to financial performance below expectations and the lower long-term outlook compared to the initial plan. As of 31 December 2020, impairment losses of €7,369 thousand had been recorded on the Germany CGU and of €1,650 thousand on the Avalon CGU.

As at 31 December 2020, the impairment tests do not include the effect of IFRS 16 "Leases" on future cash flows. However, the Group makes sure that this effect would not be significant for the CGUs tested.

The key assumptions used in 2021 and 2020 to determine the recoverable value of the CGUs tested are described below, broken down on the basis of the geographical areas in which the Group operates:

Key assumptions for 2021	Discount rate	Long-term growth rate	Normative rate of return ⁽¹⁾
France	9.2%	2%	between 3% and 10%
Other European countries	8.9% to 12.3%	2%	between 5% and 10%(2)
Middle East	11.7% to 15.2%	2.50%	between 5% and 9%
North Africa	12.5% to 13.3%	2.50%	between 5% and 9%

(1) Long-term operating margin.

(2) Except for New BIC and TMNS Serbia, whose normative rates of return are 20% and 15%, respectively.

2020 key assumptions	Discount rate	Long-term growth rate	Normative rate of return ⁽¹⁾
France	9.2%	2%	between 3% and 10%
Other European countries	8.9% to 12.3%	2%	between 5% and 10%(2)
Middle East	11.7% to 15.2%	2.50%	between 5% and 9%
North Africa	12.5% to 13.3%	2.50%	between 5% and 9%

(1) Long-term operating margin.

(2) Except for New BIC and TMNS Serbia, whose normative rates of return are 20% and 15%, respectively.

Sensitivity tests were carried out on the principal calculation parameters for the CGUs tested:

- A 0.5-point increase in the discount rate would have had a negative impact of €1,744 thousand on the results;
- A 0.5-point decrease in the perpetual growth rate would have had a negative impact of €1,285 thousand on the results;
- A 0.5-point decrease in the normative rate of return would have had a negative impact of €2,335 thousand on the results.

4.4 Right-of-use assets

Right-of-use assets

In thousands of euros	Land, buildings, fittings	Vehicles	IT equipment and other	Total
Gross value				
At 1 January 2021	51,141	16,816	70	68,027
Foreign currency translation differences	107	2	(0)	109
Acquisitions/Increases	7,173	2,427	-	9,600
Disposals/Decreases	(357)	(1,106)	-	(1,463)
At 30 June 2021	58,064	18,138	70	76,273
Depreciation, amortisation and impairment				
At 1 January 2021	(17,315)	(7,737)	(28)	(25,080)
Foreign currency translation differences	(42)	(2)	0	(44)
Charges and impairment	(5,103)	(2,263)	(6)	(7,373)
Reversals	245	907	-	1,152
At 30 June 2021	(22,216)	(9,096)	(34)	(31,346)
Net values				
At 1 January 2021	33,827	9,078	42	42,947
At 30 June 2021	35,849	9,042	36	44,927

Lease liabilities

In thousands of euros	Portion due in less than 1 year	Portion due in 1 to 5 years	Portion due in more than 5 years	Total
Operating lease liabilities*	13,410	30,041	4,727	48,178
At 30 June 2021	13,410	30,041	4,727	48,178

* Non-discounted contractual flows.

4.5 Non-current financial assets

In thousands of euros	30 June 2021	31 December 2020
Loans, guarantees and other receivables	10,068	5,074
Other non-current financial assets	16,689	2,082
Total	26,757	7,156

Non-current financial assets mainly comprise security deposits. Other non-current financial assets mainly correspond to the acquisition of shares in the entity Integrity for an amount of €15,619 thousand, not consolidated in the first half of 2021 (see Section 3.2.1), as well as cash advances to associates in the amount of €695 thousand.

4.6 Investments in associates

In thousands of euros	30 June 2021	31 December 2020
Investments in associates	450	2,358

The change is mainly due to the net income for the period of -€47 thousand as well as the disposal of Siticom GmbH for €1,871 thousand (see Section 3.2.2).

The financial information below relates to equity-accounted investments: Keivox (Spain), DFSJ (Belgium), Media-Tel LLC (Russia) and Exa ECS (France).

Selected financial information for these companies can be found below:

Recorded amounts In thousands of euros	30 June 2021	31 December 2020
Non-current assets	235	883
Current assets	6,357	14,272
Non-current liabilities	1,119	2,326
Current liabilities	4,650	10,124
100% of net assets	823	2,705
Net assets attributable to equity holders of the parent	430	1,078
Goodwill	21	548
Other	-	731
Carrying amount of interests in associates	450	2,358
Net revenue	5,221	94,653
Profit after tax from continuing operations	(134)	7,088
100% of other comprehensive income	-	-
100% of total comprehensive income	(134)	7,088
Total comprehensive income attributable to equity holders of the parent	(47)	2,321

4.7 Other current assets and liabilities

Assets In thousands of euros	30 June 2021	31 December 2020
Trade receivables	192,306	188,315
Contract assets	76,634	44,934
Tax and social security receivables	16,483	13,923
Current tax receivables	3,987	5,263
Other receivables	1,376	1,671
Prepaid expenses	56,015	45,786
Total	346,802	299,892

Trade receivables and contract assets

The increase in trade receivables and contract-related assets, amounting to €35,691 thousand, is explained on the one hand by the effect of the growth of the business (organic and external), and on the other hand by the seasonal increase of the Group's days of sales outstanding as of 30 June 2021, which stands at 49 days compared to 46 days as of 31 December 2020 and 63 days as of 30 June 2020.

Calculation of days of sales outstanding (DSO)

(amounts in thousands of euros, except for number of days)*	30 June 2021	30 June 2020	31 December 2020
Trade receivables and contract assets excl. taxes	245,586	211,948	210,424
Accounts receivable and contract liabilities	(102,087)	(72,661)	(91,936)
Net client position excl. taxes	143,499	139,287	118,488
Revenue before tax of the last quarter	266,074	199,610	231,976
DSO (days)	49	63	46

* Management data, impact of factoring & IFRS 15 neutralised.

The COVID-19 health crisis did not have an adverse effect on trade receivables, as no significant customer defaulted during the half-year, and the Group does not anticipate a significant increase in its credit risk given the quality of its customer base.

Prepaid expenses

The change in this item is related to the Group's operating activity and includes a significant seasonal effect.

Liabilities (excluding current provisions, loans, borrowings and short-term lease liabilities) In thousands of euros	30 June 2021	31 December 2020
Trade payables	93,019	76,232
Tax and social security liabilities	150,919	137,429
Income tax payable	10,289	8,539
Debt on acquisition of fixed assets	149	218
Other current liabilities	23,263	21,289
Contract liabilities	88,380	78,617
Total	366,018	322,324

Trade payables

The change in trade payables is explained on the one hand by the effects of the scope of consolidation of €5,795 thousand, and on the other hand by the Group's operational activity.

Tax and social security liabilities

Tax and social security liabilities increased by €13,490 thousand, partly attributable to the Group's organic growth (€12,279 thousand) and partly to changes in the scope (€1,211 thousand).

Other current liabilities

The other current liabilities amounted to €23,263 thousand and break down as follows:

- Advance payments from customers and customer credit notes to be prepared for €14,513 thousand (versus €14,728 thousand in 2020), mainly for the French (€11,901 thousand) and Danish entities (€1,686 thousand);
- Current liabilities in respect of earn-outs and put options on non-controlling interests in a total amount of €5,815 thousand (compared with €5,858 thousand in 2020) relating to acquisitions;
- Dividends to be paid to minority shareholders for €333 thousand (compared to €345 thousand in 2020).

Contract liabilities

The increase in this item is explained on the one hand by the effects of the scope of consolidation for an amount of €2,869 thousand, and on the other hand by the growth of the Group's operating activity and includes a significant seasonal effect.

4.8 Other current financial assets and net cash

4.8.1 Other current financial assets

This item mainly includes a security deposit in the context of the disposal of receivables contract for €1,103 thousand (compared to €1,540 thousand at the end of 2020) and short-term loans and guarantees for €2,815 thousand (compared to €3,137 thousand at the end of 2020).

4.8.2 Net cash

Cash in the statement of cash flows consists of cash and cash equivalents (short-term investments and cash), net of bank overdrafts.

Net cash includes cash, as defined above, as well as cash management assets (assets presented separately in the statement of financial position due to their characteristics), less short- and long-term financial liabilities. It also takes into account, where appropriate, the impact of hedging instruments as they relate to borrowings and treasury shares. It does not include the lease liabilities recognised pursuant to IFRS 16.

In thousands of euros	30 June 2021	31 December 2020
Short-term investments	10,241	10,143
Cash at bank	123,787	144,488
Bank overdrafts (liability)	(2,890)	(1,531)
Cash and cash equivalents	131,138	153,099
Cash management assets	-	-
Bonds	-	-
Draw-downs on bank and similar facilities and other borrowings	(3,480)	(1,694)
Long-term borrowings	(3,480)	(1,694)
Bonds	(29,970)	(30,416)
Draw-downs on bank and similar facilities and other borrowings	(2,528)	(1,185)
Short-term borrowings	(32,497)	(31,601)
Total borrowings⁽¹⁾	(35,977)	(33,295)
Derivative instruments	-	-
Net cash	95,160	119,804

(1) Details of borrowings are disclosed in Note 4.10.

The cash held in countries subject to foreign exchange control mechanisms amounted to €4,275 thousand (versus €4,853 thousand at the end of 2020).

The main changes in the Group's cash are described below.

Cash flow from operating activities

Operating cash flows

Operating cash flows (see definition on page 5) increased sharply by 45.1%, rising from €41.9 million at 30 June 2020 to €60.8 million at 30 June 2021.

Change in net working capital (WCR)

The change in working capital decreased to -€13.2 million at 30 June 2021 compared to +€20.8 million at the end of June 2020 mainly due to the Group's growth, the rise in the customer settlement period (DSO) at the end of the period, which stands at 49 days (compared to 46 days as of 31 December 2020 and 63 days as of 30 June 2020), and to the effect of the postponement of social and tax deadlines as part of the COVID-19 government measures in the previous year for €20.5 million.

Income tax paid

The tax paid increased over the period and amounted to €9.7 million compared to €6.8 million at 30 June 2020, in line with the improvement in the Group's results for the half-year and the deferral of tax deadlines one year earlier.

Cash flow from investing activities

The cash flows from investing activities for the period were negative at -€26.7 million (versus -€1.7 million at 30 June 2020), under the effect of disbursements related to acquisitions of subsidiaries (less cash acquired) for €25.2 million.

Cash flow from financing activities

Cash flow from financing activities was negative in the amount of €33.6 million, including mainly:

- a net cash outflow of €23.9 million related to transactions on non-controlling interests;
- a net outflow from borrowings for €1.8 million;
- the repayment of lease liabilities associated with the right-of-use assets (IFRS 16) for €7.4 million;
- a €3.7 million increase in the outstanding amount of receivables sold;
- the payment of dividends to non-controlling shareholders for €2.1 million.

4.9 Equity

4.9.1. Share capital

At 30 June 2021, the share capital of Devoteam SA amounted to €1,263,015, divided into 8,332,407 ordinary shares. There was no change over the period.

4.9.2. Dividends

In view of the economic context, the Management Board, supported by the Supervisory Board, decided on 8 March 2021 to take a prudent approach to the proposed appropriation of earnings that was put to the vote at the General Meeting of Shareholders of 4 June 2021 and not to distribute dividends in respect of the 2020 financial year.

4.9.3. Treasury shares

Taking into account the allocation of 31,847 shares linked to the settlement of the free share allocation (FSA) plan of 4 September 2017, expiring on 1 March 2021, the Group now holds 106,785 treasury shares, i.e. 1.28% of the share capital at 30 June 2021, compared to 138,632, i.e. 1.66% of the share capital at 31 December 2020.

4.9.4. Minority shareholders' equity

At 30 June 2021, the main minority interests related to the minority interests held in Bold, Devoteam Middle East, Devoteam Netherlands, Devoteam Italy and D2SI.

The change in minority interests over the period is mainly due to:

- profit from entities with non-controlling interests for €3,961 thousand;
- distribution of dividends to non-controlling shareholders for -€2,121 thousand;
- buyouts of non-controlling interests and other changes in scope for -€3,959 thousand.

The following table summarises disclosures relating to subsidiaries with non-controlling interests, before intragroup eliminations.

In thousands of euros	30 June 2021	31 December 2020
Non-current assets	69,874	67,065
Current assets	301,708	255,529
Non-current liabilities	(37,664)	(40,569)
Current liabilities	(230,969)	(189,171)
Net assets	102,949	92,854
Reclassification of non-controlling interests	1,007	(365)
Carrying amount of non-controlling interests	14,459	16,518
Net revenue	229,467	472,601
Profit for the year	27,034	29,902
Other comprehensive income	-	-
Total comprehensive income	27,034	29,902
Net income allocated to non-controlling interests	3,961	5,598
Other comprehensive income allocated to non-controlling interests	-	-
Cash flow from operating activities	18,074	49,369
Cash flow from investing activities	(1,404)	514
Cash flow from financing activities	(21,469)	(21,104)
Effect of exchange rate fluctuation on cash held	466	(1,129)
Net increase (decrease) in cash and cash equivalents	(4,333)	27,651

4.10 Loans and borrowings

The various loans and borrowings comprise:

In thousands of euros	30 June 2021	Portion due in less than 1 year	Portion due in 1 to 5 years	Portion due in more than 5 years
Bonds	29,970	29,970	-	-
Loans from credit institutions	6,008	2,528	3,480	-
Bank overdrafts	2,890	2,890	-	-
Total loans and borrowings	38,867	35,387	3,480	-

In thousands of euros	31 December 2020	Portion due in less than 1 year	Portion due in 1 to 5 years	Portion due in more than 5 years
Bonds	30,416	30,416	-	-
Loans from credit institutions	2,879	1,185	1,694	-
Bank overdrafts	1,531	1,531	-	-
Total loans and borrowings	34,826	33,132	1,694	-

In March 2021, the Group took out a new Revolving Credit Facility (RCF) syndicated line of credit with a leading banking pool for a maximum amount of €65 million and a term of six years and a half. At the same time, the existing bilateral credit lines were terminated early. This transaction allows the Group to extend the maturity of its financing lines from 2024 to 2027.

4.11 Current and non-current provisions and pension commitments

Current and non-current provisions

The current and non-current provisions, amounting to €16,493 thousand at the end of June (compared with €13,820 thousand at the end of December 2020), chiefly consisted of the following:

- provisions for restructuring for €3,125 thousand (compared with €1,886 thousand at 31 December 2020) recognised mainly in France for €532 thousand, in Germany for €2,034 thousand, and in Norway for €404 thousand. The change over the year was attributable chiefly to:
 - allocations to provisions related to restructuring, mainly in Germany for €1,835 thousand,
 - reversals of provisions for restructuring in Spain for an amount of €275 thousand and in Norway for €201 thousand and in Morocco for €109 thousand;
- provisions for employee disputes for €1,052 thousand (compared to €862 thousand at 31 December 2020), mostly recognised in France;
- provisions for liabilities and charges for €12,316 thousand (compared to €11,073 thousand at 31 December 2020). The change recorded over the financial year is mainly due to provisions for additional risks in France of €1,071 thousand.

Provisions for pension commitments:

The provisions for retirement benefits totalled €4,925 thousand (versus €4,800 thousand at 31 December 2020), mainly concerning the French entities. The key assumptions for the calculation of the provisions for retirement benefits are identical to those adopted at 31 December 2020. For the Group, the cost of services rendered over the period totalled €111 thousand and the interest cost amounted to €14 thousand.

4.12 Other non-current assets and liabilities

Assets In thousands of euros	30 June 2021	31 December 2020
Other	493	249
Total	493	249

Liabilities In thousands of euros	30 June 2021	31 December 2020
Other non-current liabilities	38,856	28,231
Deferred income	1,613	1,045
Total	40,469	29,276

The other non-current liabilities mainly break down as follows:

- put-option liabilities for €34,826 thousand, of which €1,047 thousand for TMNS, €2,790 thousand for Bold, €6,162 thousand for Jayway, €10,454 thousand for Fourcast, €7,412 thousand for Nubalia, and €6,711 for Integrity;
- earn-out debts of €3,032 thousand of which €2,472 thousand for Integrity;
- non-current liabilities related to mandatory severance pay in the event of departures of employees in Italy in the amount of €959 thousand.

Note 5 - Information on the income statement

5.1 Comparative information

Pursuant to AMF Instruction No. 2007-05 dated 2 October 2007, pro forma financial statements must be prepared if the scope of consolidation varies by more than 25% during the period. As the impact was less than 25%, the Group has no obligation to prepare pro forma financial statements. The impact of changes in scope for the period is summarised in Note 3.

5.2 Operating segments

Under IFRS 8, operating segments must be based on internal reporting regularly reviewed by the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing the performance of the various operating segments, are the Chairman of the Management Board, the Chief Executive Officer, and the Deputy CEO, who are responsible for taking strategic decisions within the Executive Committee.

On 1 January 2021, the Group changed the presentation of its operating segments. Indeed, the logic of regions previously identified as operating sectors is no longer valid. Within the Group, the organisation of operations is now country-focused. Performance, resource allocation and clients are presented and analysed in the internal reporting according to this new organisation. In the Group, there is no “products and services” separation between countries. Each country is able to distribute all products and services either directly or via the resources of other entities.

In accordance with the principles of IFRS 8, the Group has decided to group countries other than France into a single “International” region, no country except France exceeding any of the quantitative thresholds defined by the standard.

The regions thus created are as follows:

- The “**France**” region, the Group’s largest country with around 45% of the Group’s business, includes the French entities and the service centres in Morocco;
- The “**International**” region includes the other countries in which the Group operates, which taken individually are not significant and have similar characteristics and economic performance;
- The sector “**HQ & divested entities**” includes head office activities not allocated directly to operating regions as well as residual items from discontinued or divested operations. In 2020, this segment included the divested activities of Catalix and Energy Dynamics in France.

The definition of the “geographical splits” in 2021 and 2020 is presented below for the entire scope.

Entity	Country	30 June 2021	30 June 2020	Entity	Country	30 June 2021	30 June 2020
DVT SA	France	France	France	DVT Italy	Italy	International	Rest of the world
DVT Management Consulting FR	France	France	France	Luxembourg DVT	Luxembourg	International	Northern Europe & Benelux
S'Team Management	France	France	France	DVT Consulting Holding	Luxembourg	HQ & divested entities	Corporate & Other
RVR Parad	France	France	France	DVT Communication SARL	Luxembourg	HQ & divested entities	Corporate & Other
DVT Network Expertise	France	France	France	DVT Mexico	Mexico	International	Iberia & LATAM
DVT G Cloud	France	France	France	Devomex Cloud Services	Mexico	International	Iberia & LATAM
Be Team	France	France	France	DVT Morocco	Morocco	International	Rest of the world
DVT G Maps	France	France	France	DVT Consulting Morocco	Morocco	International	Corporate & Other
Axance	France	France	France	DVT Services Morocco	Morocco	International	Rest of the world
SAP HANA	France	France	France	DVT Netherlands	Netherlands	International	Northern Europe & Benelux
Axance Technology	France	France	France	Fourcast Netherlands BV	Netherlands	International	Non-applicable
myG	France	France	France	Between Staffing Group B.V	Netherlands	HQ & divested entities	Corporate & Other
Technologies & Opérations	France	France	France	TMNS Netherlands	Netherlands	Non-applicable	Northern Europe & Benelux
DVT Customer Effectiveness	France	France	France	Studio Vues AS	Norway	HQ & divested entities	Northern Europe & Benelux
Fi-Makers	France	France	France	DVT Fornebu Consulting AS	Norway	International	Northern Europe & Benelux
D2SI	France	France	France	DVT Smart Flow AS	Norway	International	Northern Europe & Benelux
DVT nexDigital	France	France	France	DVT Cloud Services NO	Norway	International	Northern Europe & Benelux
DVT Modern Applications	France	France	France	DVT Cloudify AS	Norway	International	Northern Europe & Benelux
Ysance	France	France	Non-applicable	Drago Solutions Corp.	Panama	International	Iberia & LATAM
DVT Outsourcing	France	HQ & divested entities	Corporate & Other	Avalon Solutions Sp Zoo	Poland	International	Northern Europe & Benelux
Exaprobe ECS MEE	France	HQ & divested entities	Corporate & Other	Bold International SA	Portugal	International	Iberia & LATAM
Myfowo.com	France	HQ & divested entities	Corporate & Other	Bold Wealth Lda	Portugal	International	Iberia & LATAM
Energy Dynamics	France	HQ & divested entities	Corporate & Other	DiamondbyBold Lda	Portugal	International	Iberia & LATAM
MEL SAS	France	HQ & divested entities	Corporate & Other	OutFit	Portugal	International	Iberia & LATAM
Catalix	France	HQ & divested entities	France	Nubalia Cloud computing LDA	Portugal	International	Non-applicable
Slag Management	France	HQ & divested entities	Non-applicable	TechSensys Lda	Portugal	HQ & divested entities	Iberia & LATAM
Maxance	France	HQ & divested entities	Non-applicable	Neos Lda	Portugal	Non-applicable	Iberia & LATAM
DMCH	France	HQ & divested entities	Non-applicable	Media-tel LLC	Russian Federation	HQ & divested entities	Corporate & Other
DVT Consulting Austria	Austria	International	Central Europe	TMNS Serbia	Serbia	International	Northern Europe & Benelux
DVT Technology GmbH	Austria	International	Central Europe	Avalon Solutions PTE	Singapore	International	Northern Europe & Benelux
DVT Belgium	Belgium	International	Northern Europe & Benelux	DVT Slovakia	Slovakia	International	Central Europe
DVT Management Consulting BE	Belgium	International	Northern Europe & Benelux	Nubalia Cloud Computing LTD	SOUTH AFRICA	International	Non-applicable
Fourcast Group NV	Belgium	International	Non-applicable	DVT Spain	Spain	International	Iberia & LATAM
DVT G Cloud BeLux BV	Belgium	International	Non-applicable	Desarrollo de procesos de implantacion S.L.	Spain	International	Iberia & LATAM
DFSJ	Belgium	HQ & divested entities	Corporate & Other	Drago Solution SAU	Spain	International	Iberia & LATAM
Paradigmo SA/NV	Belgium	Non-applicable	Northern Europe & Benelux	Softoro Development Center SAU	Spain	International	Iberia & LATAM
DVT Czech Rep.	Czech Republic	International	Central Europe	DVT Cloud Services ES	Spain	International	Iberia & LATAM
DVT Management Consulting DK	Denmark	International	Northern Europe & Benelux	New Business Intelligence Company S.L.	Spain	International	Iberia & LATAM
DVT Technology Consulting DK	Denmark	International	Northern Europe & Benelux	Nubalia Cloud Computing SLU	Spain	International	Non-applicable
Jayway ApS	Denmark	International	Northern Europe & Benelux	Keivox	Spain	HQ & divested entities	Corporate & Other
DVT Cloud Services DK	Denmark	International	Northern Europe & Benelux	Jayway Malmö AB	Sweden	International	Northern Europe & Benelux
Inviso by DVT	Denmark	International	Non-applicable	Jayway Holding AB	Sweden	International	Northern Europe & Benelux
Inviso software by DVT	Denmark	International	Non-applicable	Øredrev AB	Sweden	International	Northern Europe & Benelux
Axance (before merger)	France	Non-applicable	France	Sädesmagasinet Förvaltnings AB	Sweden	International	Northern Europe & Benelux
DVT Germany	Germany	International	Central Europe	DVT Cloud Services SE	Sweden	International	Northern Europe & Benelux
DVT S Team	Germany	International	Central Europe	Jayway Halmstad AB	Sweden	Non-applicable	Northern Europe & Benelux
DVT Alegri GmbH	Germany	International	Central Europe	Jayway Stockholm	Sweden	Non-applicable	Northern Europe & Benelux
Alegri Personal Service GmbH	Germany	International	Central Europe	Jayway Services AB	Sweden	Non-applicable	Northern Europe & Benelux
Siticom GmbH MEE	Germany	HQ & divested entities	Corporate & Other	DVT Switzerland	Switzerland	International	Central Europe
DVT UK	United Kingdom	International	Northern Europe & Benelux	Alegri AG	Switzerland	HQ & divested entities	Central Europe

TMNS UK	United Kingdom	International	Northern Europe & Benelux	DVT Tunisia	Tunisia	International	Rest of the world
DVT Cloud Services UK	United Kingdom	International	Northern Europe & Benelux	DVT Technology Consulting TN	Tunisia	International	Rest of the world
DVT Management Consulting UK	United Kingdom	International	Northern Europe & Benelux	DVT Turkey	Turkey	International	Rest of the world
Fourcast Cloud Services Ltd	United Kingdom	International	Non-applicable	DVT Middle East	United Arab Emirates	International	Rest of the world
DVT Cloud Services ID	Indonesia	International	Non-applicable	Jayway Inc	United States	International	Northern Europe & Benelux
VoxPilot	Ireland	HQ & divested entities	Corporate & Other	DVT Cloud Services US	United States	International	Northern Europe & Benelux

The comparative segment information in respect of the 2020 financial year has been restated to match the new structure of the operating segments.

The key performance indicators set out below are used by the Group in its internal reporting and are identical to those applied at the 2020 reporting date (see Note 3.19 to the 2020 financial statements):

- first, the operating margin is defined as current operating profit before the impact of share-based compensation and the amortisation of business relationships acquired in business combinations;
- second, the group contribution is defined as the total revenue (internal and external) of an operating segment less the cost of internal subcontracting acquired from other Group entities. This indicator reflects the segment's contribution to consolidated revenue from its own resources. The sum of group contributions of the operating segments is the Group's consolidated revenue.

The results and assets of the various operating segments are presented below:

In thousands of euros	France		International		HQ & divested entities		Total Group	
	30 June 2021	30 June 2020 restated	30 June 2021	30 June 2020 restated	30 June 2021	30 June 2020 restated	30 June 2021	30 June 2020 restated
Group contribution*	193,011	173,554	240,152	216,376	(3,094)	(2,694)	430,069	387,236
Depreciation and amortisation of tangible and intangible assets	(3,179)	(3,098)	(6,688)	(5,802)	(332)	(584)	(10,199)	(9,485)
Operating margin*	23,588	18,987	31,253	20,191	(5,192)	(3,329)	49,649	35,849
Operating income	23,223	18,851	29,358	19,453	(7,318)	(6,857)	45,263	31,447

* See definition in Note 5.2 of the 2021 interim financial report.

Net financial income/(loss)	(2,740)	(2,615)
Income from associates	(47)	1,198
Income tax expense	(12,537)	(10,926)
Net income from continuing operations	29,940	19,104
Profit/(loss) from discontinued operations, net of tax	0	0
Profit for the year	29,940	19,104

The impairment losses on goodwill and other assets (see Note 4.3) are allocated to the operating segment “HQ & divested entities”.

In thousands of euros	France		International		HQ & divested entities		Total consolidated assets	
	30 June 2021	31 December 2020 restated	30 June 2021	31 December 2020 restated	30 June 2021	31 December 2020 restated	30 June 2021	31 December 2020 restated
Segment assets*	295,916	246,678	429,030	389,859	12,657	44,379	737,603	680,915

* Assets shared by two segments are broken down in proportion to the “Group contribution” generated during the period.

The results and assets of the various operating segments are presented below in comparison with the restated information for 2020.

In thousands of euros	France		Northern Europe & Benelux		Iberia & LATAM		Central Europe		Rest of the world		HQ & divested entities		International		Corporate & other		Divested entities		Total Group	
	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020	30 June 2020 restated	30 June 2020
Group contribution *	173,554	173,593	0	109,388	0	38,954	0	36,911	0	31,124	(2,694)	0	216,376	0	0	(2,765)	0	31	387,236	387,236
Depreciation and amortisation of tangible and intangible assets	(3,098)	(3,081)	0	(3,142)	0	(988)	0	(1,457)	0	(238)	(584)	0	(5,802)	0	0	(579)	0	(0)	(9,485)	(9,485)
Operating margin*	18,987	19,004	0	11,678	0	3,586	0	2,123	0	2,784	(3,329)	0	20,191	0	0	(3,279)	0	(46)	35,849	35,849
Operating income	18,851	18,868	0	11,469	0	3,379	0	1,784	0	2,801	(6,857)	0	19,453	0	0	(6,807)	0	(46)	31,447	31,447

* See definition in Note 5.2 of the 2021 interim financial report.

Net financial income/(loss)	(2,615)	(2,615)
Income from associates	1,198	1,198
Income tax expense	(10,926)	(10,926)
Net income from continuing operations	19,104	19,104
Profit/(loss) from discontinued operations, net of tax	0	0
Profit for the year	19,104	19,104

In thousands of euros	France		Northern Europe & Benelux		Central Europe		Iberia & LATAM		Rest of the world		HQ & divested entities		International		Corporate & other		Divested entities		Total consolidated assets	
	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented	31 December 2020 restated	31 December 2020 presented
Segment assets*	246,678	239,683	0	220,209	0	59,021	0	50,228	0	60,499	44,379	0	389,859	0	0	51,275	0	0	680,915	680,915

* Assets shared by two segments are broken down in proportion to the “Group contribution” generated during the period.

5.3 Share-based payment

The impact of the free share allocation (FSA) plans and earn-outs subject to a presence condition, classified between the operating margin and current operating profit at 30 June 2021, amounted to +€234 thousand (compared to -€311 thousand at 30 June 2020).

The free performance share allocation plan of 4 September 2017 expired on 1 March 2021. The number of shares allocated at maturity was 31,847 shares at a price of €101.20.

The terms and conditions of the existing option plans are described in the 2020 financial statements.

5.4 Other operating income and expenses

The main components of other operating income and expenses are as follows:

In thousands of euros					
Other operating expenses	30 June 2021	30 June 2020	Other operating income	30 June 2021	30 June 2020
Restructuring expenses	(3,038)	(564)	Income from the reversal of unused provisions for restructuring	65	-
Net value of fixed assets sold	(22)	(4)	Net value of fixed assets sold	114	17
Net loss on disposals of subsidiaries	(23)	(139)	Net gain on disposal of subsidiaries	2,012	185
Impairment of goodwill	(2,896)	(1,650)		-	-
Impairment of other assets	-	-	Gains on acquisitions	-	-
Acquisition costs of securities	(113)	(11)		-	-
Other expenses	(229)	(1,367)	Other income	9	17
Total	(6,321)	(3,735)	Total	2,200	219

At 30 June 2021, the restructuring expenses were mainly related to headcount reduction costs, notably in Germany for €2,124 thousand, in Belgium for €294 thousand, in Switzerland for €270 thousand, and in France for €215 thousand.

The net loss related to the disposal of subsidiaries corresponds to the liquidation of TMNS UK for €23 thousand.

The net gain on disposals of subsidiaries mainly corresponds to the disposal of Siticom GmbH in Germany for an amount of €1,867 thousand.

The impairment losses on goodwill correspond to the impairment on the Germany CGU for an amount of €2,896 thousand (see Note 4.3).

Other non-current expenses mainly correspond to provisions for litigation and advisory fees related to the takeover bid.

5.5 Financial income and expenses

At 30 June 2021, the main components of financial income were as follows:

In thousands of euros					
Financial expenses	30 June 2021	30 June 2020	Financial income	30 June 2021	30 June 2020
Negative exchange rate differences	-	(1,189)	Positive exchange rate differences	316	-
Interest on bonds measured at the effective interest rate	(511)	(512)	Interest on bonds measured at the effective interest rate	-	-
Interest expense on leases (IFRS 16) & Interest on finance leases measured at the effective interest rate	(294)	(298)		-	-
Discounting of long-term financial liabilities	(435)	(281)		-	-
Provisions on financial assets	(0)	(0)	Provisions on financial assets	-	69
Other financial expenses	(1,998)	(529)	Other financial income	183	125
Total	(3,239)	(2,809)	Total	499	193

The financial income for the period slightly deteriorated by €125 thousand compared to 30 June 2020, mainly due to the negative impact of financial expenses on credit lines and the factoring contract for €1,491 thousand (versus €240 thousand at 30 June 2020), of which €1,300 thousand related to the establishment of a new credit line, partially offset by the positive effect of foreign exchange differences for the amount of €316 thousands (versus -€1,189 thousand at 30 June 2020).

The Group's net borrowing costs break down as follows:

In thousands of euros	30 June 2021	30 June 2020
Interest expense on financing operations at the effective interest rate*	(2,289)	(973)
Income and expense from interest rate hedges on financial debt	-	-
Gross borrowing costs	(2,289)	(973)
Interest income from cash and cash equivalents	173	119
Capital gains on assets at fair value through profit or loss	-	-
Net borrowing costs	(2,116)	(854)

5.6 Income tax expense

The income tax expense recognised is determined on the basis of the Management's best estimate of the weighted average annual tax rate expected for the full financial year, applied to interim pre-tax profit, in accordance with IAS 34.

At 30 June 2021, the tax expense increased slightly to €12,537 thousand compared to €10,926 thousand at 30 June 2020. It also includes additional local taxes (CVAE in France and IRAP in Italy) for €1,302 thousand at 30 June 2021, compared with €2,248 thousand at 30 June 2020.

The effective tax rate therefore stands at 29.5% of pre-tax profit compared with 36.4% in the first half of 2020. Excluding the impact of non-capitalised tax loss carryforwards, impairments and capital gains or losses on disposals without tax effect, the effective tax rate would stand at 26.4% compared to 31.4% as at 30 June 2020, due in particular to the impact of the gradual reduction in the tax rate and CVAE in France.

The balance of unrecognised losses carried forward amounted to €17,388 thousand at 30 June 2020 compared with €14,465 thousand at 31 December 2020 and can be carried forward indefinitely. The change is mainly due to unrecognised tax losses, particularly in France and Germany.

Deferred taxes relating to these tax losses have not been recognised because it is not probable that taxable profit will be available against which they can be used within three years.

Note 6 - Miscellaneous information

6.1 Breakdown of the workforce

The Group's workforce totalled 8,238 employees at 30 June 2021, compared with 7,623 at 31 December 2020 and 7,484 at 30 June 2020, and consisted almost entirely of managers.

6.2 Related parties

6.2.1 Information on compensation and benefits allocated to the management bodies

The compensation of the members of the Management Board is as follows:

In thousands of euros	30 June 2021	30 June 2020
Short-term employee benefits	866	445
Post-employment benefits	0	0
Employment contract termination benefits	-	-
Directors' fees	100	100
Share-based payments	-	-
Total	966	545

On 17 May 2021, the Supervisory Board decided to appoint Sébastien Chevrel as Deputy Chief Executive Officer, member of the Management Board for the remaining term of office of the other members of the Management Board, i.e. until the Ordinary General Meeting called to approve the financial statements for the 2023 financial year. His employment contract is suspended for the duration of his mandate.

These amounts include total gross compensation, including benefits in kind and, where applicable, the valuation of stock options granted during the period. Executive corporate officers are not eligible for any long-term benefits.

6.2.2 Information on associates and other related parties

Sales and purchases with related parties are made at market prices. The following table gives a breakdown of the total amount of related party transactions:

In thousands of euros Recorded amounts	30 June 2021			30 June 2020		
	Associates ⁽¹⁾	Joint ventures	Other related parties ⁽²⁾	Associates ⁽¹⁾	Joint ventures	Other related parties ⁽²⁾
Sales to related parties	72	-	-	125	-	-
Purchases from related parties	-	-	1,605	2,063	-	1,489
Dividends and other investment income	-	-	-	-	-	-
Interest and financial expense	6	-	-	31	-	-
Other operating income	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-
Receivables from related parties	706	-	671	1,114	-	646
Payables to related parties	-	-	854	901	-	787

(1) Concerns DFSJ, Keivox, Media-Tel LLC and Exaprobe ECS in 2021 and Siticom GmbH in 2020.

(2) Concerns SCI 73 rue Anatole France.

6.3 Group exposure to financial risks

The Group's exposure to financial risks, as described in its financial statements at 31 December 2020, has not significantly changed. The accounting policies and calculation methods (e.g. fair value measurement) have not been modified.

6.3.1 Credit risk

The Group has not identified any new credit risk on trade receivables or investments of its cash surplus. The COVID-19 health crisis had no significant effect on credit risk and no significant defaults were noted during the half-year.

6.3.2 Interest rate risk

Interest rate risk is managed by the Group's Finance Department in connection with its main bank counterparties. The Group's policy is to hedge against an increase in its future repayments when its exposure is significant. To this end, it uses financial derivative instruments contracted with leading banks. At 30 June 2021, since most of the Group's financial debt was fixed rate, no hedging instruments were in place.

6.3.3 Liquidity risk

Liquidity risk is the risk of the Group failing to meet its financial obligations. The Group's approach to managing this risk is to ensure that it at all times has sufficient funds to meet its liabilities as they fall due.

The Finance Department has established a prospective cash flow monitoring system (monthly and annual) for each Group operating entity, which gives it sufficient visibility to manage its liquidity risk.

The Group has conducted a specific review of its liquidity risk, and considers itself able to meet its future payments. At 30 June 2021, the Group did not represent a liquidity risk, since its cash net of bank overdrafts, including cash management assets, amounted to €131.1 million, exceeding its €36.0 million in financial liabilities.

In addition, the Group has confirmed syndicated credit facilities of the RCF (Revolving Credit Facility) type with leading bank counterparties in the amount of €65 million for a term of 6.5 years maturing in 2027.

Lastly, the factoring agreement established in 2013 was still in effect at the closing date. The maximum authorised drawdown line is €45 million, of which €16.6 million was used at 30 June 2021.

6.4 Off-balance sheet commitments

The other off-balance sheet commitments as presented in Note 9.3 of the 2020 financial statements did not change significantly either in type or in amount.

Note 7 - Subsequent events

On 24 June 2021, the Management Board, making use of the authorisation granted by the Combined General Meeting of Shareholders of 14 June 2019, decided to allocate to certain Group employees and corporate officers, a maximum number of 250,000 free shares of the Company, subject to presence and performance conditions assessed at 31 March 2025. As beneficiaries were informed during July 2021, this new plan will be assessed and recorded as from the second half of 2021 in the Group's financial statements.

On 17 July 2021, the Group redeemed at maturity its Euro PP bond with a nominal amount of €30 million. This reimbursement was taken from the Group's available cash.

On 31 August 2021, the Group acquired 100% of Cloudeon AS, a Cloud specialist and Microsoft "Gold Partner". The company has approximately 90 employees and generated revenue of approximately €11 million in its last financial year. The company will be consolidated from 1 September 2021 in the Group's financial statements.

STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with Article L.451-1-2 III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- our limited review of the accompanying condensed interim consolidated financial statements of Devoteam SA for the period 1 January 2021 to 30 June 2021;
- the verification of information disclosed in the interim management report.

The global crisis linked to the COVID-19 pandemic creates special conditions for the preparation and limited review of the condensed interim consolidated financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency entailed multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and teleworking, also affected the internal organisation of companies and the way audits were carried out.

These condensed interim consolidated financial statements were prepared under the responsibility of the Executive Board. Our role is to express a conclusion on those financial statements on the basis of our limited review.

I - Conclusion on the financial statements

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

A limited review essentially consists of making inquiries of members of the management responsible for financial and accounting matters and applying analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained during a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union applicable to interim financial information.

II - Specific verifications

We have also verified the information provided in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no comments to make as to its fairness and consistency with the condensed interim consolidated financial statements.

Paris La Défense, 30 September 2021

KPMG Audit IS
Department of KPMG SA

Jean-Pierre Valensi
Associé

Neuilly-sur-Seine, 30 September 2021

Grant Thornton
French Member of Grant Thornton International

Vincent Frambourt
Associé

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the past six-month period have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of the company and of all the companies in the consolidated group, and that the accompanying interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the accounts, a description of the main related party transactions and a discussion of the principal risks and uncertainties for the remaining six months of the year. The Statutory Auditors' report on the condensed interim consolidated financial statements presented in this document can be found on page 33.

Stanislas de Bentzmann
Co-CEO

