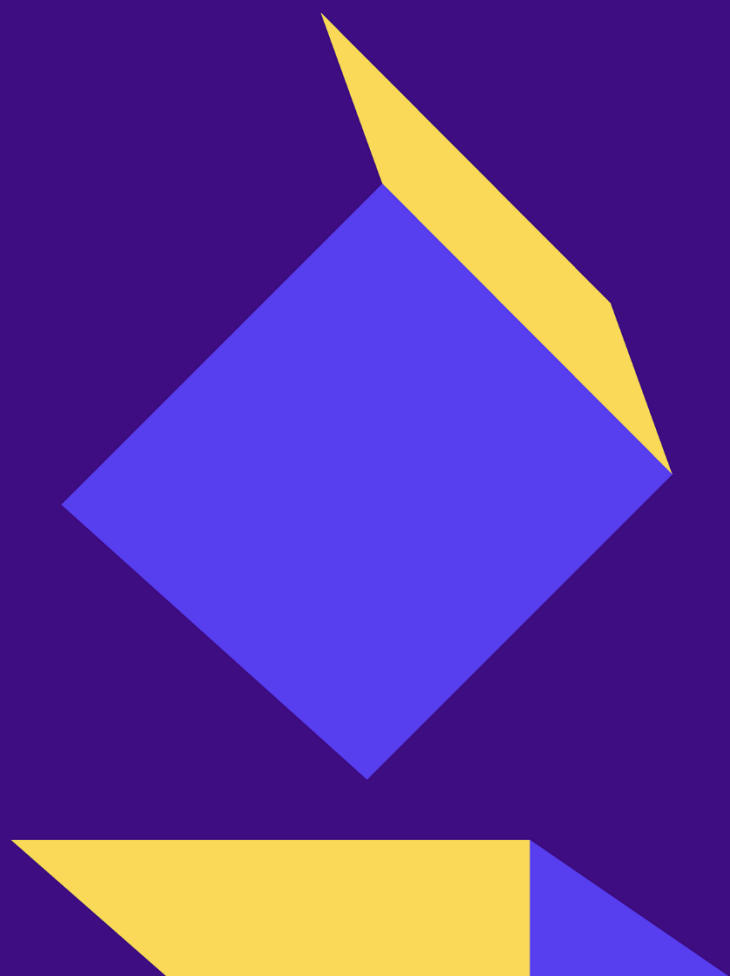


2020 half-year report



econocom

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Statement by the person responsible for the half-year financial report

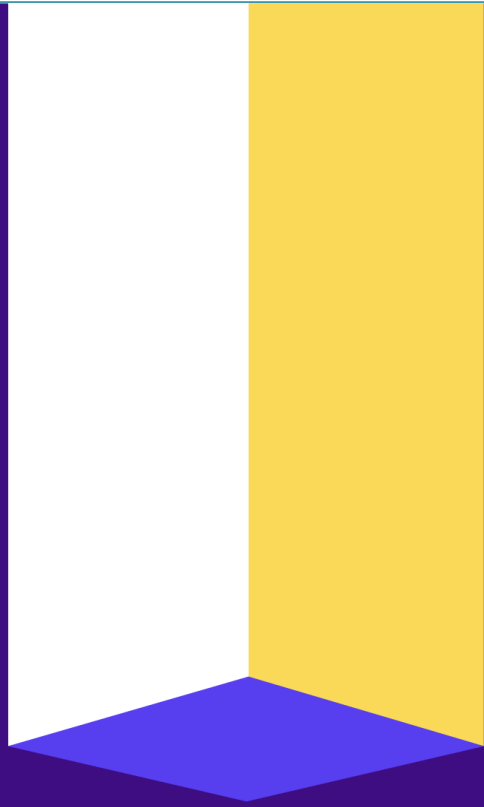
I hereby declare that to the best of my knowledge, the financial statements for the six months ended 30 June 2020 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and that the half-year Board of Directors' report appended hereto gives a fair description of the material events that occurred during the first six months of the financial year and their impact on the financial statements, and of the major related-party transactions, together with a description of the main risks and uncertainties for the remaining six months of the financial year.

27 July 2020

Jean-Louis Bouchard, representative of Econocom International BV

Chairman of Econocom





01

**management
report**

1. Group's financial position and highlights

During the first half of 2020, against the backdrop of an unprecedented health and economic crisis due to the COVID-19 pandemic, the Econocom Group was able to limit the decrease in revenue from its continuing operations to 12.9%, of which 12.5% in organic, improve its profit (loss) from continuing operations¹ to €43.5 million, generate a significant profit of €22.1 million and reduce its net book debt² to €303 million (compared to €405 million on 30 June 2019).

The Group fully benefited from the transformation plan initiated in 2019 and expanded at the start of the crisis both in terms of reducing costs and WCR and of refocusing its activities and exiting those that were to be non-strategic or failed to create synergies. The most significant example of acceleration was the conclusion of the sale of EBC to Chequers Capital on 30 June 2020.

The actions were also made possible by the tight-knit and experienced governance implemented since the start of the year and thanks to the involvement of the Group's employees throughout the first half-year. Econocom was able to demonstrate the progress of its transformation, the excellent resilience of its financial model and its ability to adapt to a very unsettled economic environment.

1.1. The COVID-19 pandemic

The Econocom Group has a presence in many European countries and was impacted by the COVID-19 pandemic starting in early March 2020. Given that it finances and provides technical support for the digital transformation of organisations, it benefited from the relative strength of the Digital Services market.

Certain projects, notably for healthcare companies, major retailers and energy suppliers increased. They were the subject of special attention from Econocom employees who were aware, from the start, of the societal impact of their contribution to the smooth operation of these business activities. Generally speaking, the Group provided seamless support to its customers and the courage of its employees was highly praised.

In order to guarantee the continuity of services while ensuring the health of its employees, on 16 March 2020, Econocom set up two crisis units, one for France and the other for international, which met through June on a regular basis to track the situation and quickly decide on the measures to be taken both during the lockdown from March to May and during the reopening, starting in May. The units consisted of members of Group Management, business line managers and representatives of the main support functions. They ensured the implementation of the business continuity plan during the entire crisis. It was implemented for

¹ Before amortisation of intangible assets from acquisitions.

² Before recognition of the debt resulting from the application of IFRS 16 to leases (offices, vehicles, etc.) for which Econocom is the lessee.

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all business lines and in all regions and updates were provided to employees on a regular basis.

The broad outlines of the business continuity plan can be summarised as follows:

- remote work organisation implemented wherever possible;
- continuation of operations in the Technology Management & Financing (TMF) and Products & Solutions (P&S) business lines thanks to the ongoing involvement of the teams and the digitalisation of procedures and signatures;
- continuation of the Services business by consistently adapting to the needs and specific context of each customer.

In addition, the Group moved up certain aspects of its cost reduction plan during the period to realise gross savings of €96.5 million in 2021 compared to the costs recorded for 2018 on a like-for-like basis. From an economic standpoint, short-time work was also implemented for all business lines experiencing a slowdown and the reduction in structural charges was expanded. These measures were intended to minimise the impact of the anticipated decline in business and in revenue on the operating margin.

Econocom also paid even closer attention to managing its liquidity and debt. For this purpose, the Group had anticipated the situation by proactively negotiating the credit lines needed with its banking pool to offset the listlessness of commercial paper market. In addition, the suspension of the treasury share buyback programme and the sale of EBC to Chequers Capital also contributed to protecting the financial strength of the Group. At the end of June 2020, net book debt was €303 million (down by €102 million compared to €405 million a year earlier). Given these elements, in June, the Group decided that it would not apply for guaranteed government loans.

The successful management of the consequences of the crisis resulting from the COVID-19 crisis reflects both the resilience of Econocom's economic model and the excellent progress made by its transformation plan.

1.2. Acceleration of the transformation plan

A transformation plan was initiated in 2019. It is intended to reduce costs by €96.5 million in 2021 (before reinvestments) compared to the 2018 level (on a like-for-like basis) and to close or sell off about fifteen entities identified as too weak in their markets or lacking synergy with the Group's other activities. A Transformation Office reporting to the two Managing Directors of the Group was created in early 2020 to implement the plan.

The Transformation Office provides ongoing monitoring of the correct implementation of the various services and entities responsible for the actions agreed for the transformation plan, including structural cost reductions and actions to close certain entities.

With respect to the cost reduction plan, the ongoing measures already implemented at the end of June 2020 have resulted in a full-year savings of €70 million approximately and confirm the optimistic expectation of reaching the €90 million in net savings in 2021. With respect to closing entities, the steps required have been implemented for two of them and action plans are currently being implemented for the others.

1.3. EBC disposal

On 28 February 2020, Econocom entered into exclusive negotiations with the Chequers Capital investment company with a view to disposing of its EBC subsidiary (Econocom Business Continuity) which is responsible for all maintenance activities in France. The business line employs 430 people on 27 sites and generated revenue of €86 million in 2019.

After consulting the employee representatives, Econocom signed an exclusive agreement with Chequers Capital on 17 April 2020 for the sale of its EBC subsidiary. After receiving the approval of the competition authorities on 12 June 2020, the sale of EBC was finalised on 30 June 2020 and the company exited the Econocom Group's scope on the same date.

1.4. Tight-knit and experienced governance

During the past half-year, Jean-Louis Bouchard, Chairman and Chief Executive Officer, stabilised Group governance by surrounding himself with a tight-knit and very experienced team which has in-depth knowledge of Econocom's businesses.

Angel Benguigui was appointed Managing Director of all of the Group's international business activities while retaining his position as Group Finance Director.

Laurent Roudil, who until now was at the head of the Services unit in France, was appointed Managing Director for all of the Group's activities in that territory and has also taken on Purchasing, IT and Real Estate.

Together with Jean-Louis Bouchard, they are responsible for leading the Group's Executive Committee, which consists of Econocom's operational management team.

Bruno Grossi, Advisor to the Chairman and responsible for corporate communications acts as the liaison with the Board of Directors, which is also tight-knit.

The board of director's meetings of 21 January and 9 March 2020 recorded the resignations of four directors. In order to ensure effective operations around the Chairman, it was decided that they would not be replaced for the time being.

1.5. Introduction of double voting rights and cancellation of treasury shares

The Extraordinary General Meeting of Econocom Group SE, which met on 19 May 2020, approved all of the agenda points.

Before reviewing the most significant ones, it is important to note that, given the impact of the health crisis resulting from the COVID-19 pandemic, and in the spirit of responsibility, the Board of Directors of Econocom Group SE unanimously decided, during its meeting of 14 April 2020, not to propose to the General Shareholders' Meeting reimbursement of the issue premium in the amount of €0.12 per share originally planned.

On the other hand, the Annual General Meeting did approve the cancellation of 24,500,000 treasury shares held by Econocom Group and the introduction of double voting rights for registered shares held for more than two years.

In accordance with Article 7:53 of the Belgian Code of Companies and Associations, the articles of association of the Company now grant double voting rights to fully paid-up shares registered in the register of shareholders for at least two uninterrupted years in the name of the same shareholder.

2. Half-year results

2.1. Key figures (unaudited)

Income statement

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
Revenue from continuing operations	1,239.5	1,423.8
Technology Management & Financing	479.0	553.1
Digital Services & Solutions	760.5	870.7
Profit (loss) from continuing operations before amortisation of intangible assets from acquisitions	43.5	41.2
Profit (loss) from continuing operations	42.5	40.2
Other non-recurring operating income and expenses	(23.7)	(13.5)
Operating profit	18.8	26.8
Other financial income and expenses	(8.5)	(8.9)
Profit before tax	10.3	17.9
Income tax expense	(5.6)	(7.8)
Profit (loss) from discontinued operations	17.4	(4.9)
Share of profit (loss) of associates and joint ventures	-	-
Profit for the period	22.1	5.2
Non-controlling interests	0.9	1.5
Profit for the period attributable to owners of the parent	21.2	3.7
Recurring net profit attributable to owners of the parent ⁽¹⁾	21.5	18.1
<i>(Attributable to owners of the parent and in euros)</i>	First-half 2020	First-half 2019 restated*
Basic earnings per share	0.097	0.016
Diluted earnings per share	0.097	0.016
Recurring net earnings per share ⁽¹⁾	0.099	0.079

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

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<i>Cash flows from operating activities, net cash at bank and net financial debt</i>	First-half 2020	First-half 2019 restated*
Cash flow before cost of net debt and income tax expense	31.1	58.9
Net cash at bank	170.8	134.7
Net financial debt	(303.0)	(405.7)

<i>Equity</i>	First-half 2020	First-half 2019 restated
Total equity	497.7	450.7

<i>Market capitalisation (in units and €)</i>	First-half 2020	First-half 2019
Average number of shares outstanding	217,338,412	229,167,553
Total number of shares at end of period	220,880,430	245,380,430
Number of shares outstanding at end of period	219,099,824	228,569,695
Share price at 30 June (in €)	1.796	3.140
Market capitalisation at 30 June (in € millions)	397	770

(1) To facilitate the monitoring and comparability of its operating and financial performances, Econocom Group presents two key indicators, "profit (loss) from continuing ordinary operations before amortisation of intangible assets from acquisitions" and "recurring profit attributable to owners of the parent". These non-GAAP indicators are determined as follows:

- *Profit (loss) from continuing ordinary operations before amortisation of intangible assets from acquisitions (see 2019 annual report, section 2.2 of the management report):*

This indicator measures the level of operating performance of the period under review, after the amortisation of intangible assets acquired through business combinations. At 30 June 2020, the main acquisition of intangible assets arising from the business combinations made by Econocom Group whose amortisation was not taken into account to calculate this indicator was the ECS customer portfolio.

- *Recurring net profit attributable to owners of the parent (see 2019 annual report, section 2.2 of the management report):*

Since the first half of 2016, recurring net profit attributable to owners of the parent has been the key performance indicator used by Econocom to assess its economic and financial performance. In the six months to the end of June 2020, it was calculated as follows:

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<i>in € millions</i>	First-half 2020 (reported)	Impairment of intangible acquisition assets	Other non- recurring items	Discontinued operations	First-half 2020 (recurring)	First-half 2019 (recurring) restated*
Revenue from continuing operations	1,239.5	-	-	-	1,239.5	1,423.8
Profit (loss) from continuing operations	42.5	1.0	-	-	43.5	41.2
Other non-recurring operating income and expenses	(23.7)	-	23.7	-	-	-
Operating profit	18.8	1.0	23.7	-	43.5	41.2
Other financial income and expenses	(8.5)	-	-	-	(8.5)	(8.9)
Profit before tax	10.3	1.0	23.7	-	35.0	32.3
Income tax expense	(5.6)	(0.3)	(6.6)	-	(12.5)	(12.6)
Profit (loss) from discontinued operations	17.4	-	-	(17.4)	-	-
Profit for the period	22.1	0.7	17.1	(17.4)	22.4	19.7
Non-controlling interests	0.9	-	-	-	0.9	1.7
Profit for the period attributable to owners of the parent	21.2	0.7	17.1	(17.4)	21.5	18.1

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

Based on this indicator, the Group also presents its "recurring net earnings per share", which correspond to recurring profit for the period attributable to owners of the parent divided by the average number of shares outstanding.

2.2. Overview of the activity during the half-year

In the first half of 2020 and despite the health and economic crisis caused by the COVID-19 pandemic, the Econocom Group limited the decline in consolidated revenue from continuing operations. Revenue was €1,239.5 million, down using constant standards by 12.9%, or which -12.5% in organic.

The Technology Management Financing (TMF) business posted a decrease of 13.4% for the entire half-year thanks to, among other things, the conclusion of several significant transactions during the second quarter. The (organic) drop in revenue from this activity was trimmed from -16.2% in the first quarter to -11.7% in the second quarter of 2020.

The Digital Services & Solutions business (DSS), which consists of Services and Products and Solutions declined by 12.6% on a like-for-like basis, of which 11.9% in organic. The organic decline was in Services (12.4%) and Products and Solutions (11.7%).

Despite this drop in revenue, the profit from continuing operations was €43.5 million in the first half of 2020 up compared to the €41.2 million a year earlier using constant standards (and €38.7 million on a like-for-like basis). The Group benefited fully from the savings plans initiated in 2019 and expanded at the very start of the crisis.

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In addition, for its continuing operations, the Group recorded non-recurring expenses of €23.7 million in the first half of 2020 (compared to €13.5 million in the first half of 2019). These expenses were primarily related to the transformation and reduction in expenses plan implemented by the Group in early 2019 and to the costs related to the COVID-19 crisis.

Net financial expenses amounted to €8.5 million, compared with €8.9 million in the first half of 2019. The decrease was the result of a lower cost of debt due to a drop in average financial liabilities over the half-year despite a market environment in which the Group used its lines of credit more than its commercial paper.

Profit from discontinued operations was €17.4 million, compared to -€4.9 million in the first half of 2019. This result includes non-current items (primarily gains on the disposal of EBC net of disposal costs and allowances for provisions) in the net amount of €18.7 million).

Given all of these items, the significant consolidated net profit for the first half of 2020 was €22.1 million, up significantly compared to the €5.2 million of the first half of 2019. Profit for the period attributable to owners of the parent was €21.2 million (compared to a loss of €3.7 million in the first half of 2019).

Recurring net profit for the period attributable to owners of the parent was €21.5 million, compared with €18.1 million in the first six months of 2019.

Equity at 30 June 2020 was €497.7 million compared to €483.9 million at the end of December 2019. The increase was primarily due to the net profits recorded for the half-year less the purchases of treasury shares during the first half-year in the amount of €7.2 million.

Net financial debt as at 30 June 2020 was €303.0 million broken down as follows:

<i>in € millions</i>	30 June 2020	30 June 2019 Restated	December 31 2019
Cash and cash equivalents	478.0	496.0	593.8
Bank debt and commercial paper	(307.1)	(361.3)	(310.2)
Net cash at bank	170.8	134.7	283.6
Convertible bond debt (OCEANE)	(190.5)	(186.8)	(189.2)
Non-convertible bond debt (Euro PP)	(55.5)	(101.0)	(102.3)
Nonconvertible bond debt (Schuldschein)	(150.2)	(150.2)	(149.9)
Contracts and receivables refinanced with recourse and other	(77.6)	(102.4)	(94.3)
Net financial debt	(303.0)	(405.7)	(252.2)

2.3. Key figures by business

Revenue and profit (loss) from continuing ordinary operations broke down as follows:

<i>in € millions</i>	First-half 2020	First-half 2019 restated*	First-half 2019***	Total growth**	Organic growth***
Technology Management & Financing	479.0	553.1	553.4	-13.4%	-13.5%
Digital Services & Solutions	760.6	870.7	863.6	-12.6%	-11.9%
Revenue	1,239.5	1,423.8	1,417.0	-12.9%	-12.5%

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

** Using constant standards

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

<i>in € millions</i>	First-half 2020	First-half 2019 restated*	First-half 2019	Profit (loss) from continuing operations (as a % of H1 2020 revenue)	Profit (loss) from continuing operations (as a % of H1 2019 revenue)
Technology Management & Financing	10.0	16.5	16.6	2.1%	3.0%
Digital Services & Solutions	33.5	24.7	22.1	4.4%	2.8%
profit (loss) from continuing operations	43.5	41.2	38.7	3.5%	2.9%

* In accordance with IFRS 5 (see 5.1.4), 2019 income and expenses of operations considered discontinued in 2020 are reclassified to "Profit (loss) from discontinued operations" in the 2019 income statement. In addition, the 2019 consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (cf. 5.1.3.) of equipment.

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

Using constant standards, the TMF business saw an organic decline of 13.5% in revenue to €479.0 million at the end of June 2020. Following a sharp decline in the first quarter, impacted by the delaying of several contracts due to the start of the pandemic in Europe, the decline in growth in the second quarter was contained at -11.7% thanks notably to the signature of several significant transactions in France, Belgium and Germany. The second quarter was up compared to the second quarter of last year in France and the Benelux whereas, on the contrary, business in the United States suffered from the continuation of the pandemic on the other side of the Atlantic and from an unfavourable base effect. The Southern Europe region was penalised by the significant decline in Italy resulting from a negative base effect and the consequences of the events of June 2019.

The DSS business saw its revenue fall by 12.6%, of which 11.9% in organic, using constant standards. The decline had a different impact on the Products and Solutions distribution business and the Services business. The first were faced with delayed deliveries which were not offset by the transactions resulting from the need of companies and government offices to

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buy equipment to enable them to work remotely. With respect to the Services business line, services to infrastructure were resilient whereas project and consulting activities both suffered from the general lockdown in Europe. Profit from continuing operations was €33.5 million, up significantly compared to the first half of 2019. The cost reduction measures which benefited this activity most more than offset the impact of the drop in revenue and of the disposal of Rayonnance in December 2019.

In the first half, the Group was also able to benefit from the health crisis to record significant commercial successes due to the fact that a number of companies and government offices had to obtain equipment. In France, the Group signed a major contract in the second quarter which combined distribution and leasing for a major French bank.

2.4. Key figures by geographical area

Revenue by geographical area breaks down as follows:

<i>in € millions</i>	First-half 2020	First-half 2019 restated*	First-half 2019***	Total growth**	Organic growth**
France	658.7	742.9	735.0	-11.3%	-10.4%
Benelux	182.2	205.1	205.1	-11.2%	-11.2%
Southern Europe	228.4	286.7	286.7	-20.3%	-20.3%
Northern & Eastern Europe	102.0	114.6	114.5	-11.0%	-10.9%
Americas	68.2	74.6	75.8	-8.5%	-10.0%
Total revenue	1,239.5	1,423.8	1,417.0	-12.9%	-12.5%

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

** Using constant standards

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

The organic decline in revenue was consistent over all of the Group's territories at approximately -11%. Southern Europe was the exception as it suffered both from the health and economic crisis which impacted it particularly hard and from a negative base effect in Italy both in terms of TMF activity, following the commercial impact of the June 2019 events, and of the DSS activity which had recorded significant deals during the first half of 2019.

3. Outlook

In the second half, Econocom is planning to take another major step in its transformation by finalising the implementation of the majority of its cost reduction measures, by completing several projects to close or terminate non-strategic activities, and by continuing to reduce its need in working capital requirements and its net financial debt.

Looking beyond the finalisation of the transformation plan, the group will concentrate on the redevelopment of its revenue in all its activities, re-launching a plan to hire sales staff, strengthening management in all of its key countries and re-investing in its offerings. The objective is to capture as large a share as possible of the digitisation projects of its private and public clients.

4. Risk factors and disputes

The risk factors described in the 2019 annual report did not change significantly during the half-year even taking the COVID-19 pandemic into account.

5. Related parties

There has been no major change in related parties since the publication of the 2019 annual report.

6. Human resources

Econocom Group employed 9,513 people at 30 June 2020, compared with 10,323 at 31 December 2019. The decrease was notably due to the sale of EBC on 30 June 2020.

7. Share price and ownership structure

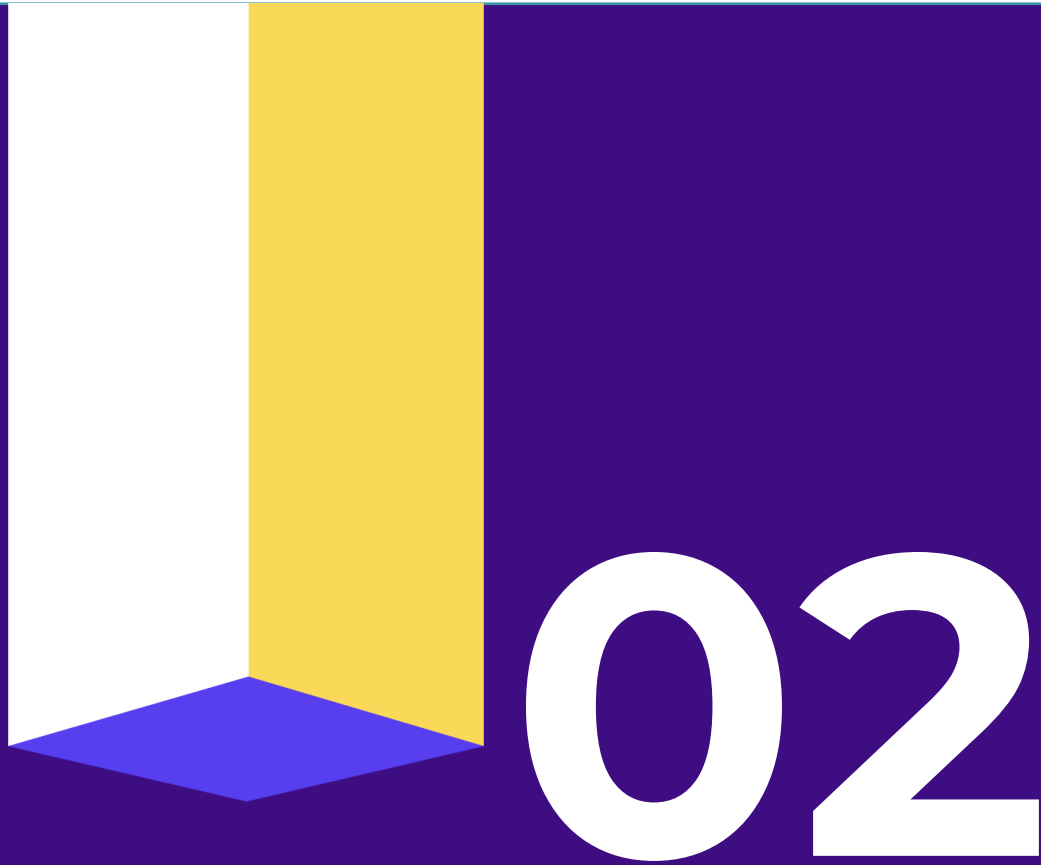
The Econocom share closed at €1,796 on 30 June 2020. The Econocom Group share (BE0974313455 – ECONB) has been listed on NYSE Euronext in Brussels since 1986 and is part of the Bel Mid and Family Business indices.

The following changes took place in the ownership structure:

<i>as a % of share capital</i>	30 June 2020	31 December 2019
Companies controlled by Jean-Louis Bouchard	40.61%	36.40%
Public shareholders	58.58%	56.75%
Treasury shares	0.81%	6.85%
Total	100%	100%

On 3 June 2020, the Econocom Group received joint notification of a threshold crossing by Jean-Louis Bouchard of Econocom International BV and Econocom Group SE. Econocom International BV reported that it had exceeded the 50% threshold for the Company's voting rights on 19 May 2020 following the introduction of dual voting rights at the Extraordinary General Meeting of the Company on 19 May 2020.

On 5 June 2020, the Econocom Group was informed that FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management & Research (Japan) Limited and Fidelity Management & Research Company LLC together held 19,535,045 voting rights as at 28 May 2020.



Consolidated financial statements*

*unaudited

1. Condensed consolidated income statement and earnings per share

As at 30 June 2020 and 30 June 2019

<i>in € millions</i>	Notes	First-half 2020	First-half 2019 restated*
Revenue from continuing operations	5.4	1,239.5	1,423.8
Operating expenses		(1,197.0)	(1,383.6)
Cost of sales		(885.6)	(1,005.2)
Personnel costs		(234.1)	(273.2)
External expenses		(60.0)	(82.9)
Depreciation, amortisation and provisions		(14.9)	(17.6)
Net impairment losses on current and non-current assets		(1.8)	(6.8)
Taxes (other than income taxes)		(6.0)	(6.4)
Other operating income and expenses		2.5	5.7
Financial income – operating activities		2.9	2.9
Profit (loss) from continuing operations before amortisation of intangible assets from acquisitions	5.4	43.5	41.2
Profit (loss) from continuing operations	5.4	42.5	40.2
Other non-recurring operating income and expenses	5.5	(23.7)	(13.5)
Operating profit		18.8	26.8
Other financial income and expenses	5.6	(8.5)	(8.9)
Profit before tax		10.3	17.9
Income tax expense	5.7	(5.6)	(7.8)
Profit from continuing operations		4.7	10.1
Share of profit (loss) of associates and joint ventures		-	-
Profit (loss) from discontinued operations	5.1.4	17.4	(4.9)
Profit for the period		22.1	5.2
Non-controlling interests		0.9	1.5
Profit for the period attributable to owners of the parent		21.2	3.7
Recurring profit attributable to owners of the parent⁽¹⁾		21.5	18.1

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

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<i>(attributable to owners of the parent, in €)</i>	Notes	First-half 2020	First-half 2019 restated*
Basic earnings per share – continuing operations		0.017	0.037
Basic earnings per share – discontinued operations		0.080	(0.022)
Basic earnings per share	5.8	0.097	0.016
Diluted earnings per share – continuing operations		0.017	0.037
Diluted earnings per share – discontinued operations		0.080	(0.021)
Diluted earnings per share	5.8	0.097	0.016
Recurring net earnings per share ⁽¹⁾		0.099	0.079

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under "Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.).

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

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

Statement of consolidated comprehensive income

<i>in € millions</i>	First-half 2020	First-half 2019 Restated*
Profit for the period	22.1	5.2
Items that will not be reclassified to profit or loss	-	(4.3)
Remeasurements of the net liabilities (assets) under defined benefit plans	-	(5.5)
Deferred income tax expense on the remeasurement of the liabilities (assets) for defined benefit plans	-	1.2
Items that may be reclassified to profit or loss	(2.1)	(0.7)
Change in fair value of cash flow hedges	0.1	(0.7)
Deferred taxes arising on change in value of cash flow hedges	-	0.2
Foreign currency translation adjustments	(2.2)	0.2
Other comprehensive income (expense)	(2.1)	(5.0)
Total comprehensive income for the period	20.0	0.2
Attributable to noncontrolling interests	0.9	1.5
Attributable to owners of the parent	19.1	(1.3)

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the 1st half of 2019 of activities considered to be discontinued in the 1st half of 2020 are reclassified under " Profit (loss) from discontinued operations." in the income statement of the 1st half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

2. Consolidated statement of financial position

Asset

<i>in € millions</i>	Notes	30 June 2020	31 Dec. 2019
Non-current assets			
Intangible assets		52.9	57.2
Goodwill	5.9	508.6	512.9
Property, plant and equipment		30.3	34.6
Rights of use assets		60.8	57.9
Long-term financial assets		26.4	32.9
Residual interest in leased assets	5.10	137.8	131.9
Other long-term receivables		12.3	13.6
Deferred tax assets		35.8	37.4
Total non-current assets		864.9	878.6
Current assets			
Inventories	5.11.1	103.8	60.1
Trade and other receivables*	5.11.2	1,013.4	1,093.7
Residual interest in leased assets	5.10	39.1	33.0
Current tax assets		13.2	18.1
Contract assets	5.11.2	17.7	30.6
Other current assets	5.11.2	31.8	27.8
Cash and cash equivalents	5.12	478.0	593.8
Assets held for sale	5.1.4	114.1	201.1
Total current assets		1,811.1	2,058.2
Total assets		2,676.0	2,936.8

* of which own-booked outstanding rentals: €282.3 million at 30 June 2020 versus €238.5 million at 31 December 2019.

Liabilities

<i>in € millions</i>	Notes	30 June 2020	31 Dec. 2019*
Share capital	5.13	23.5	23.5
Additional paid-in capital and reserves		378.9	342.0
Profit for the period attributable to owners of the parent		21.2	44.7
Equity attributable to owners of the parent		423.6	410.2
Non-controlling interests		74.1	73.7
Total equity	5.13	497.7	483.9
Non-current liabilities			
Bonds*	5.12	391.0	390.0
Financial liabilities*	5.12	78.1	61.6
Gross liability for purchases of leased assets		79.2	81.1
Long-term lease liabilities		42.8	37.7
Provisions	5.14	9.6	3.3
Provisions for pensions and other post-employment benefit obligations		38.0	37.4
Other non-current liabilities		49.4	42.4
Deferred tax liabilities		6.4	10.2
Total non-current liabilities		694.5	663.6
Current liabilities			
Bonds*	5.12	5.3	51.5
Financial liabilities*	5.12	306.6	343.1
Gross liability for purchases of leased assets		26.1	20.4
Short-term lease liabilities		19.4	21.5
Provisions	5.14	23.6	32.6
Current tax liabilities		14.2	18.0
Trade and other payables	5.11.3	866.2	980.6
Contract liabilities	5.11.3	30.8	68.7
Other current liabilities	5.11.3	144.8	169.7
Liabilities held for sale	5.1.4	46.8	83.2
Total current liabilities		1,483.8	1,789.3
Total equity and liabilities		2,676.0	2,936.8

* After deduction of the €478.0 million of cash and cash equivalents posted to assets as at 30 June 2020 (€593.8 million at 31 December 2019), net financial debt was €303.0 million at 30 June 2020 (€252.2 million at 31 December 2019); this net financial debt includes €282.3 million at 30 June 2020 (€238.5 million at 31 December 2019) for own-booked TMF contracts and the anticipated rents from this activity.

3. Consolidated statement of changes in equity

For the six-month periods ended 30 June 2019 and 30 June 2020

<i>in € millions</i>	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income (expense)	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
<i>Balance at 31 December 2018 (reported)</i>	245,140,430	23.5	240.3	(64.6)	205.2	(8.0)	396.4	94.9	491.3
<i>IFRS 16 Leases (Lessee) impact</i>					(3.0)		(3.0)		(3.0)
Balance at 1 January 2019 adjusted ⁽¹⁾	245,140,430	23.5	240.3	(64.6)	202.2	(8.0)	393.4	94.9	488.3
Profit for the period					3.7		3.7	1.5	5.2
Other comprehensive income (expense), net of tax						(5.0)	(5.0)		(5.0)
Total comprehensive income for first-half 2019	-	-	-	-	3.7	(5.0)	(1.3)	1.5	0.2
Share-based payments						0.5	0.5		0.5
Refund of issue premiums (paid in July)			(27.4)				(27.4)		(27.4)
Capital increase	240,000		0.7				0.7		0.7
Treasury share transactions, net				(10.2)	(0.3)		(10.5)		(10.5)
Put and call options on non-controlling interests initial recognition							-		-
Put and call options on non-controlling interests change in fair value					(0.3)		(0.3)		(0.3)
Other transactions and transactions with an impact on non-controlling interests					(0.1)		(0.1)	(1.2)	(1.4)
Balance at 30 June 2019	245,380,430	23.5	213.5	(74.7)	205.2	(12.5)	355.0	95.2	450.1

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<i>In € millions</i>	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income (expense)	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
Balance at 1 January 2020	245,380,430	23.5	213.6	(90.9)	270.6	(6.5)	410.3	73.6	483.9
Profit for the period	-	-	-	-	21.2	-	21.2	0.9	22.1
Other comprehensive income (expense), net of tax	-	-	-	-	-	(2.1)	(2.1)	-	(2.1)
Total comprehensive income for first-half 2020	-	-	-	-	21.2	(2.1)	19.1	0.9	20.0
Share-based payments	-	-	-	-	-	0.5	0.5	-	0.5
Refund of issue premiums (paid in July)	-	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-
Treasury share transactions, net	(24,500,000)	-	-	(7.1)	-	-	(7.1)	-	(7.1)
Put and call options on non-controlling interests initial recognition	-	-	-	-	-	-	-	-	-
Put and call options on non-controlling interests change in fair value	-	-	-	-	-	0.3	0.3	-	0.3
Other transactions and transactions with an impact on non-controlling interests	-	-	-	-	-	0.5	0.5	(0.4)	0.1
Balance at 30 June 2020	220,880,430	23.5	213.6	(97.9)	291.7	(7.3)	423.5	74.1	497.7

4. Consolidated statement of cash flows

For the six-month periods ended 30 June 2020 and 30 June 2019

<i>in € millions</i>	Notes	First-half 2020	First-half 2019 restated*
Profit from continuing operations		4.7	10.1
Provisions, depreciation, amortisation and impairment	5.15.1.1	19.6	29.7
Elimination of the impact of residual interest in leased assets	5.15.1.1	(8.1)	4.0
Other non-cash expenses (income)	5.15.1.1	0.6	0.7
Cash flows from operating activities after cost of net debt and income tax		16.8	44.4
Income tax expense	5.7	6.9	7.8
Cost of net debt		7.4	6.6
Cash flows from operating activities before cost of net debt and income tax (a)		31.1	58.9
Change in working capital requirement (b), of which:		(132.3)	(136.5)
<i>Investments in own-booked TMF contracts</i>	5.15.1.2	(43.8)	(5.9)
<i>Other changes in working capital requirement***</i>		(88.5)	(130.6)
Tax paid before tax credits (c)		(12.1)	(16.6)
Net cash from (used in) operating activities (a+b+c=d)	5.15.1	(113.4)	(94.2)
Acquisition of property, plant and equipment and intangible assets	5.15.2	(5.1)	(10.3)
Disposal of property, plant and equipment and intangible assets		-	0.2
Acquisition of long-term financial assets		(0.2)	(1.2)
Disposal of long-term financial assets		1.0	0.3
Acquisition of companies and businesses, net of cash acquired	5.15.2	(2.5)	(24.2)
Disposal of companies and businesses, net of cash acquired		92.5	-
Net cash from (used in) investing activities (e)	5.15.2	85.7	(35.3)

* In accordance with IFRS 5, the restatement of the figures for the first half of 2019 reflects the reclassification of operations considered discontinued in the first half of 2020 to net change in cash and cash equivalents from discontinued operations.

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<i>in € millions</i>	Notes	First-half 2020	First-half 2019 restated*
Exercise of stock options		-	-
Capital increase		-	0.7
Purchases of treasury shares (net of sales)		(7.0)	(10.2)
Payments to shareholders during the period		0.1	0.2
Changes in refinancing liabilities on lease contracts and liabilities on own-booked contracts	5.11	(15.7)	0.2
Increase in financial liabilities		176.1	7.3
Decrease in financial liabilities		(56.4)	(37.1)
Net change in commercial paper		(190.0)	84.7
Main components of payments coming from leases		(11.0)	(10.2)
Interest paid		(8.7)	(9.9)
Net cash from (used in) financing activities (f)	5.15.3	(112.7)	25.7
Impact of exchange rates on cash and cash equivalents (g)		(0.3)	0.3
Net change in cash and cash equivalents from discontinued operations (h)		3.2	(9.6)
Change in net cash and cash equivalents (d+e+f+g+h)		(137.5)	(113.1)
Net cash and cash equivalents at beginning of period (1)	5.12	575.6	604.9
Change in cash and cash equivalents		(137.5)	(113.1)
Net cash and cash equivalents at end of period (1)	5.12	438.1	491.8

* In accordance with IFRS 5, the restatement of the figures for the first half of 2019 reflects the reclassification of operations considered discontinued in the first half of 2020 to net change in cash and cash equivalents from discontinued operations.

(1) Net of bank overdrafts: €39.9 million at 30 June 2020 and €3.7 million at 30 June 2019.

Key movements in the consolidated statement of cash flows are explained in Note 5.15.

5. Notes to the consolidated financial statements

5.1. Accounting policies

5.1.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared on a going concern basis, in accordance with IAS 34 (Interim Financial Reporting) and with IFRS as adopted by the European Union on 30 June 2020³.

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

They were approved for issue by the Board of Directors on 27 July 2020 and have not been reviewed by the Statutory Auditor.

The accounting policies used in the half-year financial statements are the same as those used to prepare the financial statements for the year ended 31 December 2019, as described in the 2019 annual report, except for the items described in section 5.1.2.1 below on accounting standards that are mandatorily applicable as of 1 January 2020.

The half-year financial statements therefore comply with the disclosure requirements of IAS 34 and as such should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2019 included in the 2019 annual report.

The specific rules for preparing half-year financial statements, notably in the particular context of the Covid-19 pandemic, are as follows:

5.1.1.1. Assessment methods specific to half-year financial statements

5.1.1.1.1. Provisions for post-employment benefits

The post-employment benefit expense for the first half of 2020 is calculated on the basis of actuarial assessments made at the end of the previous period. Where applicable, these assessments are adjusted to allow for curtailments, settlements or other major non-recurring events which took place during the half-year period.

The Covid-19 pandemic has not had a significant impact on the discount rate.

³Available at https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

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5.1.1.1.2. *Income tax*

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

5.1.1.1.3. *Goodwill*

Due to the Covid-19 pandemic, impairment tests were exceptionally carried out on goodwill on 30 June, using a method and assumptions described in Note 5.9.

5.1.1.2. **Use of estimates**

The preparation of Econocom Group's condensed consolidated half-year financial statements requires the use of various estimates and assumptions deemed realistic or reasonable. Events or circumstances may result in changes to these estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or profit.

The main accounting policies requiring the use of estimates generally concern:

- goodwill impairment;
- measurement of residual interest (Technology Management & Financing business);
- measurement of provisions;
- term of lease used as a firm commitment period for the application of IFRS 16 to leases.

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

5.1.2. **NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS**

5.1.2.1. **Standards, amendments and interpretations adopted by the European Union and applicable at 1 January 2020**

On 1 January 2020, the Group began applying the following standards:

- amendment "Modifications of references in the Conceptual Framework in IFRS",
- amendments IAS 1 and IAS 8, definition of materiality,
- amendments of IFRS 3 "Definition of a business",
- amendments IFRS 9, IAS 39 and IFRS 7 reform of benchmark rates.

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

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

- amendment IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture,
- IFRS 17 Insurance contracts, the application of which is mandatory from 1 January 2021.

5.1.3. CHANGES IN ACCOUNTING POLICY

Outside the standards, amendments, and interpretations adopted by the European Union and applicable on 1 January 2020, the Group decided from the second half of 2019 onwards to change its application of IFRS 15 for its direct shipments. When it comes to the treatment of direct deliveries, management needs to use its judgement and decide between the “agent” and “principal” basis. By direct deliveries, we understand the sale of materials stored in the warehouses of Econocom’s suppliers and shipped directly to the end customer. These flows were recognised under the agent basis in the first half of 2019.

The Econocom group:

- contractually sets the prices paid by the end client,
- has the capacity to choose, up until the last moment, whether to go ahead with a direct delivery,
- is responsible to the end client for acceptance of equipment,
- is responsible for the management of equipment returns if necessary,

it has been decided to account for direct deliveries of equipment on the principal basis.

As set out in IAS 8, this change of accounting method can be applied because it makes it possible to provide more reliable and relevant information on the effects of transactions or events in the financial statements, the financial position and performance or the cash flows of the entity. Insofar as its main competitors already account for these transactions on the principal basis, this change of accounting method makes it easier to compare Econocom’s figures with those of its direct competitors in the distribution business.

In accordance with IAS 8, this change in accounting method is retrospective for the whole of the 2019 financial year.

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

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

A non-current asset or group of directly related assets and liabilities, is classified as “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or asset group) must be available

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for immediate sale in its present condition and its sale must be highly probable. Management must be committed to the sale and the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

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

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

5.1.4.1. Discontinued operations

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

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

Profit from discontinued operations includes:

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

5.1.4.2. Main developments

In the first half of 2020, the Board of Directors completed this list with some non-strategic activities and entities intended to be discontinued or disposed of. Consequently, the accounts at June 2019 have been restated in order to ensure comparability of periods, reclassifying the activities of these entities as "Net income from discontinued operations" in accordance with IFRS5.

5.1.4.3. Impact of discontinued operations on the income statement and statement of cash flows

The net income from these activities is presented on a distinct line of the income statement, under "Net income from discontinued operations". In accordance with IFRS 5, comparative figures are restated. The application of IFRS 5 impacts the 2020 and 2019 interim consolidated income statements of continued operations as follows:

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
Revenue from continuing operations	66.2	95.2
Operating expenses**	(68.9)	(100.6)
Profit (loss) from continuing operations	(2.7)	(5.5)
Other non-recurring operating income and expenses	18.7	(3.2)
Operating profit	16.0	(8.6)
Other financial income and expenses	(0.3)	(0.5)
Profit before tax	15.7	(9.1)
Income tax expense	(2.1)	(0.1)
Profit (loss) from discontinued operations	13.6	(9.2)
Cancellation of impairment**	3.9	4.4
Profit (loss) from discontinued operations	17.4	(4.9)

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under " Profit (loss) from discontinued operations" in the income statement of the first half of 2019.

** In accordance with IFRS 5, fixed assets have not been depreciated.

5.1.4.4. Assets and liabilities held for sale

The assets and liabilities of these activities are presented on separate lines of the statement of financial position.

At 30 June 2020 and at 31 December 2019, the application of IFRS 5 impacted the consolidated statement of financial position as follows:

<i>in € millions</i>	First-half 2020	31 December 2019
Non-current assets	57.8	124.6
Current assets	51.6	73.1
Cash and cash equivalents	4.7	3.4
Assets held for sale	114.1	201.1
Non-current liabilities	6.0	9.0
Current liabilities	40.8	74.3
Liabilities held for sale	46.8	83.3

The fall in assets and liabilities held for sale between 31 December 2019 and 30 June 2020 is mainly explained by the disposal of the company EBC which occurred on 30 June 2020.

5.2. Changes in the scope of consolidation in the first half of 2020

5.2.1. ACQUISITIONS

No significant acquisition occurred in the first half of 2020.

5.2.2. CHANGES IN OWNERSHIP INTEREST

With Exaprobe, in the first half of 2020 the group exercised its purchase option regarding a non-controlling interest, increasing its stake from 90% to 95%.

5.3. Main impacts of the Covid-19 pandemic

As covered in the Board of Directors' report in the first part of this 2020 interim report, the Econocom group managed to limit the fall in its revenue to 12.8% (12.5% organic). All geographical areas were affected, with Southern Europe, which was affected by the pandemic earlier, suffering a heavier fall in growth.

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Group costs in the first half of 2020 were €4.8 million, of which €1.5 million in additional costs (purchases of masks, hand gel etc.) and €2.4 million from idle human resources (net of subsidies granted by governments of countries where we are active). In addition, losses on receivables which became irrecoverable as a result of the Covid-19 pandemic only currently represent €0.4 million of these costs at the end of June 2020.

All these costs are presented under "Other non-current operating expenses" as referred to in section 5.5.

The impairment tests on goodwill and other long term assets, carried out on an exceptional basis on 30 June 2020 (using methods and assumptions described in 5.9.) had no impact on the other non-current operating expenses.

Econocom dealt with the following main impacts on net cash at bank and net book debt:

- increase in inventories and past-due client receivables partly offset by the delay in the payment of social security contributions, mainly in France, of €30 million; these social security contributions were paid in July;
- strong reduction in access to the treasury bills market entirely offset by the use of committed and uncommitted bank lines negotiated before the crisis;

Despite these impacts and thanks to the measures taken to manage its WCR, and also the suspension of treasury share purchases, Econocom was able to:

- repay, in June, the €45.5 million of the first tranche of its EuroPP bond loan,
- do without states' guaranteed loans and, finally,
- reduce its net accounting debt by €102 million compared with the €405 million registered at the end of June 2019.

5.4. Segment reporting

Since 2019, the group's activity has been broken down into two operating business segments:

- Technology Management & Financing (TMF); and
- Digital Services & Solutions (DSS) which groups the segments formerly called Services and Products & Solutions.

Revenue and segment results

Internal transactions include:

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

The Group's segment profit corresponds to "Profit (loss) from continuing operations". This corresponds to operating profit before non-recurring operating income and expenses and amortisation of intangible assets from acquisitions.

5.4.1. REPORTING BY OPERATING BUSINESS SEGMENT

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

<i>in € millions</i>	TMF	DSS	Total
First-half 2020			
Revenue from external clients	479.0	760.5	1,239.5
Internal revenue	10.9	173.4	184.3
Total - Revenue from operating segments	489.9	933.9	1,423.8
Profit (loss) from continuing operations	10.0	33.5	43.5
Amortisation of intangible assets from acquisitions	(1.0)	-	(1.0)
Profit (loss) from continuing operations	9.0	33.5	42.5
First-half 2019 restated*			
Revenue from external clients	553.1	870.7	1,423.8
Internal revenue	8.9	103.8	112.7
Total - Revenue from operating segments	562.0	974.5	1,536.5
Profit (loss) from continuing operations	16.5	24.8	41.2
Amortisation of intangible assets from acquisitions	(1.0)	-	(1.0)
Profit (loss) from continuing operations	15.5	24.8	40.2

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under " Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 1.2.2.) of equipment.

5.4.2. REVENUE BY GEOGRAPHICAL AREA

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
France	658.7	742.9
Benelux	182.2	205.1
Southern Europe	228.4	286.7
Northern & Eastern Europe	102.0	114.6
Americas	68.2	74.6
Total	1,239.5	1,423.8

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under " Profit (loss) from discontinued operations" in the income statement of the first half of 2019. In addition, the 2019 interim consolidated income statement is impacted by the recognition henceforth on the principal basis (within the meaning of IFRS 15) of direct deliveries (see 5.1.3.) of equipment.

5.5. Other non-recurring operating income and expenses

Non-recurring operating income and expenses mainly include:

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

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
Restructuring costs	(6.9)	(9.8)
Costs linked to the Covid-19 pandemic	(4.8)	-
Impairments of fixed assets	(2.7)	(1.8)
Other	(9.3)	(1.8)
Other non-current operating income and expenses	(23.7)	(13.5)

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under " Profit (loss) from discontinued operations" in the income statement of the first half of 2019.

Costs linked to reorganisations are due to the transformation plan launched in 2019 and the continuation during the financial year of the performance improvement plans. In the first half of 2020, these costs linked to re-organisation, net of provision writebacks, amounted to €6.9 million; they relate to all of the group's activities.

In the first half of 2020, other non-current operating charges also included the costs linked to the Covid-19 pandemic. The size of this crisis was exceptional. It was not linked to the company's activity, and was a one-off event in the 2020 financial year. In accordance with its definition of "Other non-current operating income and expenses" noted above, the group has put certain additional significant costs, which would not have been incurred without the health crisis, in this category. The presentation under the heading "Other operating income and expenses" is relevant to the understanding of the group's financial performance. They are mainly costs directly and specifically incurred to enable the continuation of activity (purchase of masks, gels, signs, computer licenses and equipment, spending on the refurbishment of premises etc.). In addition, still on the basis of the definition above, "Other non-current operating income and expenses" include the net costs of resources which are vacant as a result of the health crisis (expenses which the group is still responsible for, for staff on sick leave or short-time work, net of the support measures put in place by the various governments,

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compensation paid to sub-contractors etc.). Once the health crisis is over and as soon as these resources cease to be vacant, their costs will once again be classified under profit (loss) from continuing operations.

Finally, other non-current income and expenses includes the net amounts allocated in the first half of 2020, notably in connection with the events of June 2019 in Italy and with other unusual events elsewhere.

5.6. Net financial expense

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
Financial income	0.1	-
Interest expense on bonds	(5.1)	(5.1)
Expenses on non-current liabilities	-	-
Interest cost of retirement benefits and other post employment benefits	(0.2)	(0.3)
Interest expense on lease liabilities (IFRS 16)	(0.8)	(0.9)
Interest on short-term financing	(1.3)	(1.2)
Financial expenses on factoring	(1.2)	(1.3)
Other financial expenses	-	(0.1)
Financial expenses	(8.6)	(8.9)
Other financial income and expenses	(8.5)	(8.9)

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under " Profit (loss) from discontinued operations" in the income statement of the first half of 2019.

5.7. Income tax

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
Profit before tax on continuing operations	10.3	17.9
Income tax on the profit of continuing operations	(5.6)	(7.8)
Effective tax rate as a percentage of profit before tax	54.7%	43.5%
Effective income tax rate on the restated profit ⁽¹⁾	27.0%	25.1%

* In accordance with IFRS 5 (see 5.1.4), income and expenses from the first half of 2019 of activities considered to be discontinued in the first half of 2020 are reclassified under " Profit (loss) from discontinued operations" in the income statement of the first half of 2019.

(1) This is the effective income tax rate restated for the following items: CVAE in France, IRAP in Italy, amortisation of intangible assets from acquisition.

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Income tax expense for the first half was €5.6 million, including €2.9 million in taxes classified as income tax (compared to €2.7 million in the first half of 2019), corresponding to the tax on value added in France (CVAE), net of corporation tax, and the regional production tax (imposta regionale sulle attività produttive – IRAP) in Italy (see Note 7 to the consolidated financial statements for the year ended 31 December 2019).

The average tax rate (as determined above) was estimated at 27.0% for the current period.

5.8. Basic and diluted earnings per share

The average number of shares outstanding used in the denominator to calculate earnings per share was 217,338,412 in the first half of 2020, as opposed to 229,167,553 in the first half of 2019.

The weighted number of ordinary shares outstanding used to calculate diluted earnings per share at 30 June 2020 was 218,346,169, compared with 231,746,479 at 30 June 2019.

In accordance with section 41 of IAS 33, potential ordinary shares should only be treated as dilutive if their conversion into ordinary shares would have the effect of reducing earnings per share or increasing the loss per share from continuing operations. At the end of June 2020, the impact from the conversion of the OCEANE bonds had an anti-dilutive effect and therefore was not taken into account in determining diluted earnings per share.

5.9. Goodwill and impairment testing

5.9.1. GOODWILL ALLOCATION

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

<i>in € millions</i>	TMF	DSS	Total
Goodwill at 1 January 2020	113.8	399.1	512.9
Reclassification to assets held for sale	-	(4.2)	(4.2)
Adjustments to acquisition costs	-	-	-
Acquisitions	-	-	-
Foreign exchange gains and losses	-	-	-
Goodwill at 30 June 2020	113.8	394.9	508.6
Of which gross amount	113.8	398.9	512.7
Of which accumulated impairment	-	(4.0)	(4.0)

5.9.2. IMPAIRMENT TESTS AND IMPAIRMENT OF GOODWILL

As indicated in 5.1.1.3, there were exceptional impairment tests on goodwill at 30 June 2020 due to the Covid-19 pandemic. The assumptions used are described below.

Key assumptions

Given its positioning and offerings, the assumptions for discount rates and perpetual growth rates used in the impairment tests at 31 December 2019 were kept.

The business plan, for its part, has been updated in order to take account of the effects of the pandemic on the group's activity, as well as the acceleration of the structural savings measures put in place, expected growth and activity margins.

In order to reflect the uncertainties linked to the health crisis, the business plan of each CGU has been tested with two scenarios for a return, at varying speeds, to the revenue levels forecast at the end of 2019.

Results of impairment tests

The tests did not lead to the recognition of any impairment loss at 30 June 2020. Reasonable variations in the main assumptions used are not expected to produce recoverable amounts lower than the carrying amounts.

Sensitivity to changes in assumptions

The sensitivity of impairment tests to adverse but feasible changes in assumptions is set out below:

- reasonable sensitivity to changes in the discount rate: a simulated increase of up to one percentage point in the discount rate used would not change the findings of the Group's analysis;
- reasonable sensitivity to the long-term growth rate: in a pessimistic scenario where the long-term growth rate is reduced by 0.5 percentage points, the value in use of each CGU would still exceed its carrying amount;
- reasonable sensitivity to the business plan: a 5% reduction in the revenue forecast contained in the business plan, with variable costs adjusted accordingly, would not change the conclusions of the Group's analysis.

Consequently, none of the sensitivity tests reduced the value in use of any of the CGUs to below their carrying amount.

5.10. Residual interest in leased assets

Residual interest in leased assets reflects a forecast market value.

At 30 June 2020, it was €176.9 million, up slightly compared with 31 December 2019. The portion of residual interest in leased industrial assets was approximately 9%.

<i>in € millions</i>	30 June 2020	31 Dec. 2019
Residual interest in leased assets non-current portion (between 1 and 5 years)	137.8	131.9
Residual interest in leased assets current portion (less than 1 year)	39.1	33.0
Total	176.9	165.0

At the end of June, residual interest represented 2.8% of the original purchase price of the leased equipment; this ratio was almost stable compared to the end of 2019 (2.7%). This residual interest in leased equipment is almost 60% refinanced. Corresponding debt is recognised on the liabilities side in gross liability for purchases of leased assets. This debt decreased from €101.5 million at the end of 2019 to €105.3 million at 30 June 2020 (of which €79.2 million was long-term debt and €26.1 million was short-term debt).

5.11. Current operating assets and liabilities

5.11.1. INVENTORIES

<i>in € millions</i>	30 June 2020			31 Dec. 2019		
	Gross	Impairment	Net	Gross	Impairment	Net
Equipment in the process of being refinanced	25.5	(2.4)	23.1	21.3	(2.5)	18.8
Other inventories	87.7	(7.0)	80.7	47.9	(6.6)	41.3
IT equipment	80.2	(3.8)	76.4	35.0	(3.0)	32.0
Spare parts	7.5	(3.2)	4.3	12.9	(3.6)	9.3
Total	113.2	(9.4)	103.8	69.2	(9.1)	60.1

Net inventories increased between 31 December 2019 and 30 June 2020 in order to meet the deployment and delivery requirements in the DSS business in the third quarter of 2020. The logistical problems experienced with both our clients and suppliers as a result of the Covid-19 pandemic also contributed to this rise.

The crisis did not however require a further impairment of these inventories.

5.11.2. TRADE AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

<i>in € millions</i>	30 June 2020			31 Dec. 2019		
	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables	996.0	(72.0)	924.0	1,064.3	(63.9)	1,000.4
Other receivables	97.6	(8.2)	89.4	103.4	(10.1)	93.3
Trade and other receivables	1,093.6	(80.2)	1,013.4	1,167.7	(74.0)	1,093.7
Contract assets	17.7	-	17.7	30.6	-	30.6
Other current assets	31.8	-	31.8	27.8	-	27.8

Change in trade receivables is broken down below by business:

<i>in € millions</i>	30 June 2020				31 December 2019			
	Receivables invoiced, net of impairment	Outstanding rentals	Revenue accruals	Total	Receivables invoiced, net of impairment	Outstanding rentals	Revenue accruals	Total
TMF	318.9	385.0	2.1	706.0	354.4	389.6	6.8	750.8
DSS	115.8	-	102.3	218.0	155.8	-	93.8	249.6
Total	434.6	385.0	104.3	924.0	510.2	389.6	100.6	1,000.4

Provisions for impairment of trade receivables increased by €8.1 million, due primarily to credit risks identified in respect of certain customers:

<i>in € millions</i>	31 Dec. 2019	Additions	Reversals	Reclassification	30 June 2020
Impairment of doubtful receivables	(63.9)	(13.0)	9.6	(4.7)	(72.0)

Following the Covid-19 pandemic, methods for determining provisions for impairment in line with IFRS 9 have not been modified but risk analyses have been carried out on each project which needed one and allocations for impairment of trade receivables made necessary by this crisis have been categorised under "other non-current operating expenses", for €0.4 million (see 5.3).

5.11.3. TRADE AND OTHER PAYABLES AND OTHER CURRENT LIABILITIES

“Trade and other payables” breaks down as follows:

<i>in € millions</i>	30 June 2020	31 Dec. 2019
Trade payables	667.0	756.9
Other payables	199.2	223.7
Trade and other payables	866.2	980.6

Other payables include the following items:

<i>in € millions</i>	30 June 2020	31 Dec. 2019
Tax and social liabilities	190.3	212.5
Dividends payable	1.2	1.2
Customer prepayments and other payables	7.7	10.0
Other payables	199.2	223.7

The other current liabilities comprise the following items:

<i>in € millions</i>	30 June 2020	31 Dec. 2019
Contract liabilities	30.8	68.7
Contingent acquisition-related liabilities - current portion	17.8	28.0
Deferred income	114.4	134.3
Other liabilities	12.6	7.4
Other current liabilities	144.8	169.7

5.12. Net cash and net financial debt

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

- the gross purchase commitments of leased assets (liability) and residual interests in leased assets;
- the derivative instrument hedging Schuldschein notes; and
- lease liabilities.

<i>in € millions</i>	31 Dec. 2019	Cash flows	Non-cashflows			30 June 2020
			Amortised cost of debt	Exchange rate impact	Other	
Cash and cash equivalents net of bank overdrafts	575.6	(136.0)	-	(0.4)	(1.1)	438.1
Commercial paper	(278.5)	190.0	-	-	-	(88.5)
Bank debts (credit lines)	(13.5)	(166.2)			1.0	(178.7)
Net cash at bank	283.6	(112.1)	-	(0.4)	(0.1)	170.9
Bond debt convertible (OCEANE)	(189.2)	1.0	(2.3)	-	-	(190.5)
Bond debt (Euro PP)	(102.3)	48.1	(1.3)	-	-	(55.5)
Bond debt (Schuldschein)	(149.9)	1.1	(1.5)	-	-	(150.2)
Leases refinanced with recourse	(90.3)	15.7	-	-	-	(74.6)
Factoring liabilities with recourse	(4.0)	1.0	-	-	-	(3.0)
Other non-current liabilities	-	(0.1)	-	-	-	(0.1)
Sub-total	(535.8)	66.9	(5.1)	-	-	(473.9)
Net financial debt	(252.2)	(45.2)	(5.1)	(0.4)	(0.1)	(303.0)

* Positive gross cash and cash equivalents.

**Including current bank overdrafts totalling €39.9 million at 30 June 2020 and €18.2 million at 31 December 2019

The net financial debt in 2020 includes in particular € 282.3 million corresponding to net receivables from own-booked TMF contracts.

Cash and cash equivalents net of bank overdrafts

The -€137.5 million change in net cash as seen in the statement of cash flows includes -€136.0 million in monetary flows, -€1.1 million in reclassification to assets held for sale and €0.4 million in foreign exchange gains and losses.

Bond debt (Euro PP and Schuldschein)

Cash flows on non-convertible bond debts (Euro PP and Schuldschein) correspond to the payment of the first instalment of the Euro PP bond debt and to the interest paid in the six month period. shown within "Interest paid" in the consolidated statement of cash flows.

5.13. Equity**5.13.1. SHARE CAPITAL OF ECONOCOM GROUP SE**

	Number of shares			Value in € millions		
	Total	Treasury shares	Outstanding	Share capital	Additional paid-in capital	Treasury Shares
At 31 December 2019	245,380,430	23,458,144	221,922,286	23.5	213.6	(90.9)
Purchases of treasury shares, net of sales	-	2,872,462	(2,872,462)	-	-	(7.2)
Exercise of options and award of free shares	-	(50,000)	50,000	-	-	0.1
Capital increase	-	-	-	-	-	-
Destruction of treasury shares	(24,500,000)	(24,500,000)	-	-	-	-
Refund of issue premium	-	-	-	-	-	-
At 30 June 2020	220,880,430	1,780,606	219,099,824	23.5	213.6	(97.9)

The Annual General Meeting of 19 May 2020 decided to destroy 24,500,000 treasury shares.

5.13.2. STOCK SUBSCRIPTION OPTION PLANS

Stock subscription and purchase options have been granted to some of the Group's employees and managers for an agreed unit price. The characteristics of these plans are detailed below. Following the share-split which occurred in 2017, the options granted between 2013 and 2016 each entitle the holder to two Econocom shares.

Stock option plans	Options 2013		Options 2014 (1)			2017 Options (2)	Total
	2013	2014	2015	2016	2017		
Options outstanding at 31 Dec. 2019	250,000	1,599,620	356,800	85,000	90,000	2,381,420	
Options granted during the period	-	-	-	-	-	-	
Options exercised during the period	-	-	-	-	-	-	
Options lapsed or forfeited	-	-	-	-	-	-	
Options outstanding at 30 June 2020	250,000	1,599,620	356,800	85,000	90,000	2,381,420	
Rights granted in number of shares (comparable) at 31 December 2019	500,000	3,199,240	713,600	170,000	90,000	4,672,840	
Rights granted in number of shares (comparable) at 30 June 2020	500,000	3,199,240	713,600	170,000	90,000	4,672,840	
Option exercise price (in €)	5.96	5.52	7.70	11.48	6.04	-	
Share purchase price (in €)	2.98	2.76	3.85	5.85	6.04	-	
Average share price at the exercise date	-	-	-	-	-	-	
Expiry date	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2023	-	

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

(2) In May 2017, the Board of Directors approved a plan to issue 2,000,000 stock subscription rights, 1,950,000 of which were issued in December 2017 by the Compensation Committee. These options will also give rise to the issue of new shares.

5.13.3. FREE SHARE PLAN

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

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

The number of free shares at 30 June 2020 was 480,000.

	2018				Total
Tranches	1	2	3	4	
Free shares at 31 December 2019	197,500	197,500	197,500	197,500	790,000
Free shares allocated during the period	-	-	-	-	-
Free shares vested during the period	(50,000)	-	-	-	(50,000)
Free shares lost during the period	(110,000)	-	-	-	(110,000)
Free shares cancelled during the period	(37,500)	(37,500)	(37,500)	(37,500)	(150,000)
Free shares at 30 June 2020	-	160,000	160,000	160,000	480,000
Vesting date	March 2020	March 2021	March 2022	March 2023	

The Annual General Meeting of 19 May 2020 decided to authorise the Board of Directors to set up a free share allocation plan consisting of a total of 2,200,000 shares to be allocated by 31 December 2022. At 30 June 2020, an initial list of beneficiaries was approved by the Board of Directors but the shares have not yet been allocated.

5.14. Provisions

<i>in € millions</i>	31 Dec. 2019	Additions	Reversals (not used)	Reversals used	Other and exchange differences	30 June 2020
Restructuring and employee-related risks	6.7	0.9	(0.2)	(2.4)	0.3	5.2
Tax, legal and commercial risks	19.2	2.9	(4.7)	(0.4)	(4.0)	13.0
Deferred commissions	1.5	-	-	(0.1)	-	1.4
Other risks	8.5	2.2	(2.9)	(0.1)	6.0	13.7
Total	35.9	6.0	(7.9)	(3.0)	2.3	33.2
Non-current portion	3.3	-	(0.8)	(0.4)	7.2	9.6
Current portion	32.6	6.0	(7.0)	(2.7)	(5.0)	23.6
Profit (loss) from continuing operations		2.6	(7.3)	(1.4)		
Profit (loss) from discontinued operations		3.4	(0.5)	(1.7)		
Income tax expense		-	-	-		

At the end of June 2020, the €6.0 million in additions mainly covered commercial disputes.

The use of provisions of €3.0 million primarily covered employee departure costs in the first half of 2020.

During the period, additions to provisions net of reversals of provisions not utilised had a negative impact of €1.8 million on profit.

5.15. Consolidated statement of cash flows

<i>in € millions</i>	Notes	First-half 2020	First-half 2019 restated*
Profit from continuing operations		4.7	10.1
Cash flows from operating activities before cost of net debt and income tax		31.1	58.9
Change in working capital requirement ⁽¹⁾	5.15.1.2	(132.3)	(136.5)
Tax paid net of tax credits		(12.1)	(16.6)
Net cash from (used in) operating activities	5.15.1	(113.4)	(94.2)
Net cash from (used in) investing activities	5.15.2	85.7	(35.3)
Net cash from (used in) financing activities	5.15.3	(112.7)	25.7
Impact of exchange rates on cash and cash equivalents		(0.3)	0.3
Net change in cash and cash equivalents from discontinued operations		(3.2)	(9.6)
Change in net cash and cash equivalents		(137.5)	(113.1)
Net cash and cash equivalents at beginning of period		575.6	604.9
Net cash and cash equivalents at end of period ⁽²⁾		(137.5)	491.8

* In accordance with IFRS 5, the restatement of the first-half 2019 figures reflects the reclassification of operations considered discontinued in the first half of 2020 to net change in cash and cash equivalents from discontinued operations.

(1) Including €43.8 million in respect of investments in TMF contracts (compared with €5.9 million in the first half of 2019).

(2) Net of short-term bank overdrafts: €39.9 million at 30 June 2020 and €3.7 million at 30 June 2019.

5.15.1. NET CASH FROM (USED IN) OPERATING ACTIVITIES

Given the typical seasonality of the Group's operations, emphasised by larger TMF investments than during the first half of 2019, cash flows from operating activities were -€113.4 million in the first half of 2020 compared to -€94.2 million in the first half of 2019.

Excluding TMF investments, WCR rose by €88.5 million in H1 2020 compared with €130.6 million in H1 2019. The strict control of this WCR and the use of facilities enabling delayed payment of social security commitments, especially in France, have helped limit the negative impacts of the COVID-19 crisis on inventories and maturities.

5.15.1.1. Non-cash expenses (income)

<i>in € millions</i>	First-half 2020	First-half 2019 restated*
Elimination of share of profit (loss) of associates and joint ventures	-	-
Depreciation/amortisation of property, plant and equipment and intangible assets	21.5	22.6
Net additions to (reversals from) provisions for contingencies and expenses	(4.8)	(2.1)
Change in provisions for pensions and other post-employment benefit obligation	0.6	2.2
Impairment of trade receivables, inventories and other current assets	2.3	7.1
Total provisions, depreciation, amortisation and impairment	19.6	29.7
Change in residual interest in leased assets ⁽¹⁾	(8.1)	4.0
Cost of discounting residual interest in leased assets and gross liability for purchases of leased assets ⁽²⁾	(2.3)	(0.6)
Losses (gains) on disposals of property, plant and equipment and intangible assets	2.4	0.7
Gains and losses on fair value remeasurement	-	(0.5)
Expenses calculated for share-based payments	0.5	0.5
Impact of sold operations and changes in consolidation methods and other income/expenses with no effect on cash and cash equivalents	-	0.5
Other non-cash expenses (income)	0.6	0.7
Non-cash expenses (income)	12.1	34.3

* In accordance with IFRS 5, the restatement of the first-half 2019 figures reflects the reclassification of operations considered discontinued in the first half of 2020 to net change in cash and cash equivalents from discontinued operations.

(1) Changes in the residual interest in leased assets takes account of the impact of discounting in prior periods. The €4.4 million impact of discounting for the period was eliminated in the "Other non-cash expenses (income)" item.

(2) Reflects the impact of discounting the residual interest in leased assets (-€4.4 million) and residual financial value commitments (+€2.1 million).

5.15.1.2. Change in working capital requirement

The increase in working capital requirement breaks down as follows:

<i>in € millions</i>	Notes	31 Dec. 2019	Change in working capital requirement in first- half 2020	Reclassific ations to assets and liabilities held for sale	Total other changes (1)	30 June 2020
Other long-term receivables, gross		13.6	(6.4)	-	5.0	12.3
Inventories, gross	5.10.1	69.2	44.2	-	-	113.2
Trade receivables, gross	5.10.2	1,064.3	(61.3)	(9.0)	2.0	996.0
Other receivables, gross	5.10.2	103.4	(5.6)	(0.5)	0.4	97.6
Residual interest in leased assets (2)	5.9	165.0	-	-	11.9	176.9
Current tax assets		18.1	-	-	(4.9)	13.2
Other current assets	5.10.2	58.4	(8.9)	-	-	49.6
Trade receivables and other operating assets		1.492.0	(38.0)	(9.5)	14.5	1 458.8
Other non-current liabilities		(42.4)	(9.5)	-	2.5	(49.4)
Trade payables	5.10.3	(756.9)	96.6	7.9	(14.6)	(667.0)
Other payables	5.10.3	(223.7)	28.0	1.3	(4.7)	(199.2)
Current tax liabilities		(18.0)	(5.1)	-	8.9	(14.2)
Other current liabilities	5.10.3	(238.4)	60.9	0.8	1.1	(175.6)
Gross commitments on residual financial assets (3)		(101.5)	(2.4)	-	(1.3)	(105.3)
Trade and other operating payables		(1.381.0)	168.5	10.0	(8.3)	(1 210.7)
Other changes in working capital requirement (4)		16.2	1.9	-	-	16.2
Total change in working capital requirements		-	132.3	-	-	-
<i>Of which Investments in own-booked TMF contracts</i>			43.8			
<i>Of which other changes</i>			88.5			

* In accordance with IFRS 5, the restatement of the first-half 2019 figures reflects the reclassification of operations considered discontinued in the first half of 2020 to net change in cash and cash equivalents from discontinued operations.

- (1) Mainly corresponding to changes in the scope of consolidation and in fair value, and translation adjustments.
- (2) Changes in the residual interest in leased assets are shown in cash flows from operating activities.
- (3) Corresponding to changes in residual financial assets excluding the currency effect and discounting in the period.
- (4) Change in deferred tax assets relates to the additional tax depreciation in Italy which is considered a working capital requirement item, whereas tax revenue is considered as recurring operating profit.

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

Net cash used in investing activities totalled +€85.7 million, primarily reflecting the inflow linked to disposal of EBC.

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

Net cash from financing activities amounted to -€112.7 million, mainly reflecting:

- -€190.0 million in decreases in outstanding commercial paper,
- +€176.1 million in increase in bank credit lines,
- -€56.4 million in net decrease in financial liabilities, including a repayment of €4.5 million for the first tranche of the EuroPP,
- -€15.7 million changes in refinancing liabilities on leases,
- -€11.0 million in net decrease from the application of IFRS 16,
- -€8.7 million in payment of financial interest in the first half of 2019,
- -€7.0 million in cash outflows for purchases of treasury shares.

5.16. Related-party transactions

Transactions between the parent company and its subsidiaries, which are related parties, are eliminated on consolidation and are not presented in this note. Other related-party transactions mainly concern the principal transactions carried out with the Chairman of the Board of Directors, its Vice-Chairman, the Chief Executive Officers and Executive Directors, or with companies controlled by the Group or over which it exercises significant influence.

Since they relate to the compensation conditions of Econocom Group's corporate officers (directors and those delegated with day-to-day management tasks) and directors involved in the general management of the Group, they are decided by the Board of Directors. Certain compensation packages were adjusted over the period to take into account changes to the responsibilities of a number of managers. There have been no material changes in this respect since the disclosures presented in Note 22.1 to the 2019 consolidated financial statements.

No material changes occurred in first-half 2019 as regards the other related-party transactions set out in Note 22.2 to the 2019 consolidated financial statements at 30 June 2020.

5.17. Subsequent events

On 27 July 2020, Econocom announced it had entered exclusive talks with Atos with a view to the sale of its subsidiary Digital Security. Digital.Security, a company which specialises in helping its clients to control their digital risks, generated revenue of almost €29 million in 2019. Econocom will consult with the competent staff representative bodies in the next few days in order to present this disposal project to them.



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