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com

30 June  
2020

CONSOLIDATED ACCOUNTS 30/06/2020

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BALANCE SHEET

ASSETS in K€	§	30/06/2020	31/12/2019
<b>Goodwill</b>	4.1	48,421	35,650
<b>Uncalled Share Capital</b>			
Intangible assets	4.2	3,895	3,172
Tangible assets	4.3	452	405
Long-term investments	4.4	1,563	1,360
<b>Fixed assets</b>		<b>54,331</b>	<b>40,587</b>
Inventories and work in progress			
Trade receivables	4.5	70,461	49,689
Deferred tax assets	4.5	57	
Other receivables	4.5	19,151	13,369
Marketable securities	4.6	204	505
Cash in bank and at hand	7	36,331	26,119
<b>Current assets</b>		<b>126,204</b>	<b>89,682</b>
<b>Accruals</b>	4.5	<b>801</b>	<b>489</b>
<b>Total ASSETS</b>		<b>181,336</b>	<b>130,758</b>
<b>LIABILITIES in K€</b>			
	§	30/06/2020	31/12/2019
Share capital		2,914	2,892
Issue, merger and acquisition premiums		29,399	29,421
Reserves		7,372	1,606
Group income		2,201	5,904
Treasury shares		-96	-85
<b>Shareholders' equity - Group share</b>	4.7	<b>41,789</b>	<b>39,737</b>
<b>Minority interests</b>	4.7	<b>682</b>	
<b>Other equity</b>			
<b>Provisions for liabilities and charges</b>	4.8	<b>2,133</b>	<b>1,097</b>
Borrowings and financial debts	4.9	21,944	11,482
Trade payables and related accounts	4.10	60,312	34,729
Tax and social security liabilities	4.10	52,194	41,764
Debts on fixed assets and related accounts	4.10	12	14
Other debts	4.10	994	1,126
<b>Debts</b>		<b>135,457</b>	<b>89,115</b>
<b>Accruals</b>		<b>1,275</b>	<b>809</b>
<b>Total LIABILITIES</b>		<b>181,336</b>	<b>130,758</b>

INCOME STATEMENT

In K€	§	30/06/2020	30/06/2019	31/12/2019
<b>Turnover</b>	5.1	<b>132,546</b>	<b>111,522</b>	<b>237,127</b>
<b>Other operating revenue</b>	5.2	<b>1,184</b>	<b>675</b>	<b>1,011</b>
Purchases and inventory changes			2	2
Other purchases and external expenses	5.3	77,749	48,651	113,056
Taxes and duties		1,407	1,594	2,813
Personnel expenses	5.4	51,165	57,028	113,074
Asset amortisation allowance		331	265	531
Allowance for provisions	4.8	429	548	839
<b>Operating expenses</b>		<b>131,080</b>	<b>108,088</b>	<b>230,314</b>
<b>Operating income</b>		<b>2,650</b>	<b>4,109</b>	<b>7,824</b>
<b>Financial income</b>	5.5	<b>-277</b>	<b>-47</b>	<b>-674</b>
<b>Earnings before tax and interest</b>		<b>2,373</b>	<b>4,062</b>	<b>7,149</b>
<b>Exceptional income</b>	5.6	<b>104</b>	<b>-344</b>	<b>-222</b>
<b>Income tax</b>	5.7	<b>-286</b>	<b>-453</b>	<b>-1,024</b>
<b>Income of integrated companies</b>		<b>2,190</b>	<b>3,266</b>	<b>5,904</b>
Goodwill amortisation allowance	4.1			
<b>Consolidated overall income</b>		<b>2,190</b>	<b>3,266</b>	<b>5,904</b>
<b>Group income</b>		<b>2,201</b>	<b>3,266</b>	<b>5,904</b>
<b>Non-group income</b>		<b>-11</b>		

## NOTE TO THE CONSOLIDATED ACCOUNTS

All amounts in the appendix are expressed in thousands of euros (K€).

The notes below represent the appendix to the consolidated accounts at 30 June 2020, which show a balance sheet total of €181,336K and a net result - group share of €2,201K.

### Note 1 - Significant events of the period and post balance sheet events

#### **Growth dynamics**

For the whole of the 1<sup>st</sup> half-year of 2020, FREELANCE.COM's consolidated turnover amounted to 132.5 million, up +18.9% compared to the turnover of the 1<sup>st</sup> half-year of 2019. FREELANCE.COM generated €105.4M in sales in France, representing 80% of the Group's consolidated total. The business grew organically by 26% domestically.

Internationally (Germany, Morocco, Switzerland), turnover remained stable at €27.1M, representing 20% of total turnover for the period.

#### **Merger with INOP'S**

On 18 June 2020, Freelance.com acquired a 75% majority stake in INOP'S, the leading network of digital experts (70,000 experts). As the takeover is deemed to be effective as of 30 June 2020, INOP'S does not contribute to the consolidated business and income flows for the first half-year of 2020.

With this operation, Freelance.com significantly strengthens its expertise in digital, complements its service offering (with an increased capacity in particular for fixed-price contracts, offers dedicated to the public sector, management of large-scale programmes, etc.) and will be able to draw on the largest ecosystem of 70,000 experts in SMEs and digital start-ups. Freelance.com thus strengthens its position as the leader in liberated work and offers talents and companies more intelligent solutions to facilitate value creation and innovation.

INOP'S achieved a turnover of €84M in 2019, up 52%. Given the date of the merger and its materiality in the Group's consolidated financial statements, Note 8 to the financial statements provides pro forma information and details the integration of the Group's accounts.

#### **Covid-19 health crisis**

Since the beginning of the 2020 financial year, a global health crisis related to the COVID-19 virus has erupted. This has created an unprecedented economic, social and operational situation both in France and internationally.

The Freelance.com group has adapted its organisation to guarantee the level of service expected by its clients, companies and talents, documented in a Business Continuity Plan (BCP), and thus secure all current benefits, while preserving its employees, and in particular:

- The introduction of remote working for all employees with dedicated tools,
- The production of specific documentation and training related to Covid-19 crisis management,
- The establishment of a business continuity service,
- The use of part-time working.

At the end of June, the impact on the Freelance.com group's activities seems limited, although a decline was noted in wage portage business. Nevertheless, there is still a lack of visibility on the course of the pandemic which makes it difficult to make any forecast for the end of the year.

### **Underwriting of state-guaranteed loans (PGE)**

In the current crisis context related to Covid-19, the French government has put in place numerous measures to help companies to bear the effects of the crisis. One such measure is the State Guaranteed Loan (PGE). This loan is a fixed-rate bank loan with 90% of the amount borrowed guaranteed by the State via the Public Investment Bank (BPI). After a one-year grace period for amortisation and interest, the loan can be amortised over a period of 1 to 5 years at the Company's discretion. Depending on the chosen amortisation period and the size of the company, interest rates will be defined. At present these rates are not yet defined.

In view of the uncertainties linked to the crisis, the Group has decided to strengthen its cash position in order to give itself more flexibility to continue to support freelancers who place their trust in it and to envisage its future developments with confidence.

As at 30 June, the Group had subscribed to and released PGE funds for an amount of €10 million to its freelance administration subsidiaries.

### **Other highlights**

There are no other events that have had, or are likely to have, a material impact on the consolidated financial statements or that should be disclosed in these notes.

### **Post closing events**

- State-Guaranteed Loans

In line with the strategic decision to use the PGE, the Group also negotiated a total of €16.7M of PGEs for its other activities during the third quarter. This brings the outstanding PGE to €26.7M.

## [Note 2 - Accounting principles and methods - consolidation arrangements](#)

### **2.1. Accounting standards**

The consolidated financial statements are prepared in accordance with the accounting principles applicable in France and with the consolidation rules defined in Regulation 99-02 of the Accounting Regulatory Committee (CRC).

In particular, the following conventions have been observed:

- Going concern;
- consistency of accounting methods from one year to the next;
- independence of financial years.

The basic method used for the valuation of items recorded in the accounts is the historical cost method.

## 2.2. Consolidation arrangements

### 2.2.1. Consolidation methods

The accounts of companies over which FREELANCE.COM exercises exclusive control, directly or indirectly, de jure or de facto, are fully consolidated. However, entities with no significant activity or assets are not consolidated.

Companies that are jointly controlled by several shareholders are consolidated proportionally to the percentage of control.

The companies in which FREELANCE.COM exercises significant influence, presumed when it holds more than 20% of the capital, are accounted for by the equity method.

The closing date of the consolidated accounts is the closing date for the parent company of the group, i.e. 31 December of each year, and corresponds to the closing date of each of the entities included in the scope of consolidation.

### 2.2.2. Treatment of initial consolidation differences

Goodwill on initial consolidation recognised on the acquisition of an equity interest corresponds to the difference between the fair value of the acquisition price and the restated share of the net assets acquired. They are allocated to the appropriate asset and liability items.

The positive unallocated balance of these differences is presented on the assets side of the balance sheet under the heading “goodwill”.

The useful life of positive goodwill is determined based on a documented analysis of the relevant characteristics of the acquisition transaction in question. Where there is no foreseeable limit to the period over which goodwill will provide economic benefits to the group, it is not amortised. Where there is a foreseeable limit to its useful life at the time of acquisition, goodwill is amortised using the straight-line method over that period.

Goodwill is analysed at each balance sheet date in order to assess its net value and to apply any depreciation when the inventory value is lower than the book value, with any depreciation recorded never being reversed.

The valuation of goodwill of operating subsidiaries is assessed on the basis of profitability and development criteria. For portage subsidiaries, these criteria are applied to the entire division.

When the consolidation difference is negative, it is recorded under “provisions” on the liabilities side of the balance sheet and is reported in the income statement over a period that takes into account its nature.

### 2.2.3. Translation of the accounts of foreign companies outside the Euro zone

Translation of the accounts of foreign companies into euros was carried out as follows:

- Non-monetary items, with the exception of equity, and monetary balance sheet items have been translated at the exchange rate at the balance sheet date; equity has been translated at the historical rate;
- all income and expenses have been translated at the average exchange rate for the period.



## 2.3. Valuation methods and rules

### 2.3.1. Intangible assets

Intangible assets are valued at their historical purchase cost or historical production cost or at their fair value at the date of acquisition by the subsidiary that owns them.

They include mainly:

- the FREELANCE.COM trademarks and domain names, whose inventory value is assessed each year based on the group's prospects, and which are not subject to any amortisation,
- specific software

Software is amortised using a straight-line method over its useful life, which does not exceed 5 years.

### 2.3.2. Tangible assets

Tangible assets are valued at their historical acquisition cost or at their fair value at the date of acquisition by the subsidiary that owns them.

They are subject to economic amortisation calculated using a straight-line method over their estimated useful lives. The usual rates used are as follows:

- |                                 |               |
|---------------------------------|---------------|
| • general fixtures and fittings | 5 years       |
| • office and computer equipment | 3 to 4 years  |
| • furnishings                   | 8 to 10 years |

Group entities do not use leasing as a method of financing fixed assets.

### 2.3.3. Receivables and payables

Receivables and payables are valued at their nominal value. Receivables and payables in foreign currencies are translated and recognised at the exchange rates prevailing at the end of the financial year or period, and the resulting translation differences are recognised as financial income or expense.

Receivables are subject, where appropriate, to a provision for depreciation to take account of collection and litigation difficulties.

FREELANCE.COM and INOP'S use the services of a factor (see Note 6.1).

### 2.3.4. Marketable securities

Marketable securities are recorded in the balance sheet at their acquisition cost.

They are subject to a provision for depreciation if their realisable value at the balance sheet date is less than their acquisition cost.

### 2.3.5. Provisions for liabilities and charges

Provisions are made for risks and expenses to the best of our knowledge, when an event has occurred or is in progress that makes them probable at the date of preparation of the accounts and when their amount can be estimated with sufficient precision.

Provisions are valued at each balance sheet date and are reversed when they are used (recognition of the corresponding expenses) or when the risk initially anticipated disappears.

### **2.3.6. Provisions for retirement benefits**

Provisions are made for retirement benefits due to permanent staff working under permanent contracts. The valuation of these commitments results from an actuarial estimate of the potential rights acquired by employees at the balance sheet date, in application of the provisions of the collective agreement and the forecast of a departure at 65 years of age at the initiative of the employee.

This estimate takes into account, among other things, assumptions about life expectancy, staff turnover, salary trends and a discounting of the amounts payable.

### **2.3.7. Recognition turnover and margin**

Turnover and associated margin are taken into account on a monthly basis, as and when assignments are completed.

### **2.3.8. Exceptional income**

Exceptional income and expenses in the consolidated income statement include exceptional items arising from ordinary activities and exceptional items. Exceptional items arising from ordinary activities are those which do not arise from the ordinary operation of the business, either because they are abnormal in amount or impact, or because they occur rarely.

### **2.3.9. Deferred taxes**

Deferred taxes are determined using the liability method at the tax rates prevailing at the end of the year. They are calculated on temporary differences between the book and tax values of assets and liabilities, as well as on consolidation adjustments, to the extent that they are material.

Deferred tax assets relating to tax loss carryforwards are only recognised insofar as they may be recovered within a reasonable period of time.

### **2.3.10. Earnings per share**

Two types of results are presented: earnings per share and diluted earnings per share.

Earnings per share are calculated based on the weighted average number of shares outstanding during the period. Outstanding shares are shares issued, excluding treasury shares purchased by Freelance.com and included in equity.

For the calculation of diluted earnings per share, the weighted average number of shares is adjusted for the potential dilutive effect of shares to be issued upon translation of outstanding dilutive instruments.

This calculation is not performed in the intermediate situation.

The dilutive instruments existing at 30 June 2020 are summarised in the table below:

Grant date	Type	Number	Price in EUR	Shares that can be subscribed	Quantities subscribed as at 30/06/20	Quantity remaining at 30/06/20
18/05/2018	FSD (1)	327,164		279,064	-279,064	
19/04/2019	FSD (2)	306,000		306,000		306,000
30/04/2020	FSD (3)	528,000				
31/12/2016	CB (4)	10,548,984	1.05	10,548,984		10,548,984

(1) Of the 327,164 shares granted on 18/05/2019, 279,064 vested on 20/04/2020

(2) The 306,000 shares were granted on 30/04/2020 and will vest in April 2021

(3) The 528,000 shares may be allocated in April 2021, based on performance criteria (vesting period of 1 year)

(4) The CBs are described in Note 4.9 below

Note 3 - Scope of consolidation

All the companies in which FREELANCE.COM exercises, directly or indirectly, de jure control or a significant influence have been consolidated.

The list of consolidated companies as at 30 June 2020 and the percentages of interest held by the group are presented below; they are all fully consolidated.

Following the acquisition of INOP'S, the new group is now made up of 22 companies with the consolidation of TEOPHILE, dedicated to new wage portage services.

Entity	Head office	SIREN No.	% interest N	% interest N-1
ADMISSIONS ACCESS	Paroi Nord de la Grande Arche - 1 parvis de la Défense 92044 Paris La Défense	478,676,901	100.00	100.00
ADMISSIONS ETUDES ET PROJETS	Tour de l'Horloge 4 place L.Armand 75603 Paris cdx 12	487,531,659	100.00	100.00
ADMISSIONS SAVOIR FAIRE	Paroi Nord de la Grande Arche - 1 parvis de la Défense 92044 Paris La Défense	413,598,632	100.00	100.00
ADMISSIONS SUISSE	Rue François-Perréard 20, 1225 Chêne Bourg (Switzerland)		100.00	100.00
ADMISSIONS TECHNOLOGIES	9 place Alphonse Jourdain 31000 Toulouse	808,257,026	100.00	100.00
ADMISSIONS TRANSITIONS	107 Avenue Henri Freville 35200 Rennes	808,112,833	100.00	100.00
EGO INTERIM	221 boulevard Zerktouni Casablanca (Morocco)		100.00	100.00
EGO RECRUTEMENT	221 boulevard Zerktouni Casablanca (Morocco)		100.00	100.00
ERGONOS CONSULTING	Rue François-Perréard 20, 1225 Chêne Bourg (Switzerland)		100.00	100.00
ERGONOS GERMANY	Friedrichstrasse 95, 10117 Berlin, Germany		100.00	100.00
FREELANCE MAROC	221 boulevard Zerktouni Casablanca (Morocco)		100.00	100.00
FREELANCE UK	c/o James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, England, RG1 8LS		100.00	100.00
FREELANCE.COM		384,174,348	100.00	100.00
FREELANCE ONE	Paroi Nord de la Grande Arche - 1 parvis de la Défense	431,960,251	100.00	100.00
ADMISSIONS ONE	92044 Paris La Défense	837,521,442	100.00	100.00
FREELANCE SERVICES		517,703,385	100.00	100.00
INOP'S	9 Boulevard Gouvion St Cyr - 75017 Paris	513,082,503	75.00	
PROVIGIS	Paroi Nord de la Grande Arche - 1 parvis de la Défense 92044 Paris La Défense	431,960,251	100.00	100.00
SAGE	Rue François-Perréard 20, 1225 Chêne Bourg (Switzerland)		100.00	100.00
TEOPHILE		839,240,322	90.00	
VALOR CONSULTANTS	Paroi Nord de la Grande Arche - 1 parvis de la Défense	311,810,816	100.00	100.00
VALOR ONE	92044 Paris La Défense	505,317,503	100.00	100.00

Note 4 - Information on balance sheet items

4.1. Goodwill

Companies acquired	Country	Year of acquisition	Initial difference in K€	Net value 31/12/2019	Increase 30/06/2020	Depreciation 30/06/2020	Net value 30/06/2020
BRANCHE PORTAGE	FRA	2016	35,035	35,035			35,035
POLE MAROC	FRA	2018	615	615			615
INOPS	FRA	2020	12,771		12,771		12,771
			<b>48,421</b>	<b>35,650</b>	<b>12,771</b>		<b>48,421</b>

The Freelance Group performs an annual impairment test at the end of each financial year. As a reminder, the latter had not led to any impairment at the end of 2019.

4.2. Intangible assets

Valeurs brutes en K€	Ouverture	Augmentation	Diminutions	Variation de périmètre	Autres mouvements	Clôture
Frais d'établissement et assimilés	3					3
Frais de recherche et de développement						
Concession, brevets et droits similaires	3 075	2		699	1 196	4 972
Fonds commercial	481					481
Autres immo.incorporelles						
Immobilisations incorporelles en cours	1 211	798			-1 196	813
<b>Immobilisations incorporelles brutes</b>	<b>4 770</b>	<b>800</b>			-	<b>6 269</b>

Amortissements et provisions	Ouverture	Augmentation	Diminutions	Variation de périmètre	Autres mouvements	Clôture
Amort.des frais d'établissement	-1					-1
Frais de recherche et de développement						
Concession, brevets et droits similaires	-1 412	-184		-517		-2 114
Amort.fonds commercial	-185	-74				-259
Amort.autres immo.incorporelles.						
Immobilisations incorporelles en cours						
<b>Amortissements et provisions</b>	<b>-1 598</b>	<b>-259</b>		<b>-517</b>		<b>-2 374</b>

Valeurs nettes	Ouverture	Augmentation	Diminutions	Variation de périmètre	Autres mouvements	Clôture
Frais d'établissement et assimilés	2					1
Frais de recherche et de développement						
Concession, brevets et droits similaires	1 662	-182		182	1 196	2 858
Fonds commercial	297	-74				223
Autres immo.incorporelles						
Immobilisations incorporelles en cours	1 211	798			-1 196	813
<b>Valeurs nettes</b>	<b>3 172</b>	<b>541</b>		<b>182</b>		<b>3 895</b>

The item “concessions, patents and similar rights” includes in particular:

- The “FREELANCE.COM” brand and associated trademarks and domain names were valued at €1,260K when they were first consolidated in 2002, a valuation confirmed by an annual impairment test.
- Specific software allowing:
  - The development of CSR data services under the PROVIGIS brand and freelance services on the global market by FREELANCE.COM.
  - The new management tool commissioned at the very end of the 2018 financial year for €479K, which is intended to be part of an evolution of freelance administration towards new services, was deployed on the 1st half-year of 2020. As a reminder, a portion of this was written down in 2019 for €118K. The net value of this asset amounts to €150K as at 30 June 2020.
  - The SMART software was commissioned in April 2020 at a cost of €973K.  
This specific software supporting the operation is depreciated using a straight-line method over a period not exceeding 5 years.
- The acquisition at the end of 2018 of goodwill for €445K of services from CBV with straight-line depreciation over 3 years from 1 January 2019. The net value of this asset was €223K at 30 June 2020.
- The intangible assets in progress are related to the development of two new major IT projects for the group, SMART (digitalised freelance services) and TEOREME (automation of administrative processes; €544K as at 30/06/2020).

### 4.3. Tangible assets

Valeurs brutes en K€	Ouverture	Augmentation	Diminutions	Variation de périmètre	Autres mouvements	Clôture
Terrains						
Constructions						
Installations techniques, matériel, outillage	160					160
Autres immobilisations corporelles	1 208	58		109	4	1 379
Immobilisations en cours						
Avances et acomptes						
<b>Valeurs brutes</b>	<b>1 368</b>	<b>58</b>		<b>109</b>	<b>4</b>	<b>1 539</b>

Amortissements et provisions	Ouverture	Augmentation	Diminutions	Variation de périmètre	Autres mouvements	Clôture
Terrains						
Constructions						
Installations techniques, matériel, outillage	-104	-7				-111
Autres immobilisations corporelles	-859	-65		-48	-5	-977
Dépréciation immo.corporelles						
Avances et acomptes						
<b>Amortissements et provisions</b>	<b>-963</b>	<b>-72</b>		<b>-48</b>	<b>-5</b>	<b>-1 088</b>

Valeurs nettes	Ouverture	Augmentation	Diminutions	Variation de périmètre	Autres mouvements	Clôture
Terrains						
Constructions						
Installations techniques, matériel, outillage	56	-7				49
Autres immobilisations corporelles	349	-7		61	-	402
Dépréciation immo.corporelles						
Avances et acomptes						
<b>Valeurs nettes</b>	<b>405</b>	<b>-14</b>		<b>61</b>	<b>-</b>	<b>452</b>

### 4.4. Long-term investments

The item “Long-term investments” breaks down as follows in net values at 30 June 2020:

Values in K€	Opening	Increase	Decrease	Change in scope	Other movements	Closing
Non-consolidated securities	45		-		-45	
Receivables from related entities						
Loans	586	41		2		629
Deposits and guarantees paid	398	2	-	185	-2	583
Other fixed assets	331	19	-4		5	352
<b>Total</b>	<b>1,360</b>	<b>61</b>	<b>-4</b>	<b>187</b>	<b>-42</b>	<b>1,563</b>

The other movements on the consolidated shares for €45K correspond to the TEOPHILE shares not consolidated at the previous closing.

The loans correspond to the sums paid by the wage portage companies under the 1% construction scheme.

At 30 June 2020, security deposits amounted to €583K, including €185K from the acquisition of INOP'S. They mainly include deposits paid in connection with movable property leases (including €107K on FREELANCE.COM for offices located at the Grande Arche de la Défense) and guarantees paid by the Moroccan temporary employment subsidiary.

The other fixed assets come from the Swiss subsidiaries for €278K (customer counter-guarantees) and from the company FREELANCE.COM for €73K (liquidity contract).

#### 4.5. Operating receivables and accruals

Values in K€	Gross amount	Depreciation	30/06/2020	31/12/2019
Trade receivables	72,233	-1,772	70,461	49,689
Deferred tax assets	57		57	
Employee-related receivables	397		397	326
Tax receivables	13,254		13,254	8,846
Other receivables	851		851	484
Factor	4,649		4,649	3,712
Total other receivables	19,151		19,151	13,369
Prepaid expenses	801		801	489
<b>GRAND TOTAL</b>	<b>92,242</b>	<b>-1,772</b>	<b>90,470</b>	<b>63,548</b>

The bulk of the operating receivables are due within one year at inception. Receivables from the State mainly include deductible VAT of €11,032K and tax credits and advances of €2,222K. In particular, the Factor's accounts represent the sums left as collateral for the Factor until the clients pay the assigned invoices.

NB: Trade receivables do not include receivables assigned to the factor. At 30/06/2020, outstanding factoring amounts to €31,964K (including €31,713K from FREELANCE.COM and €251K from INOPS) for €21,214K at 31/12/2019.

#### 4.6. Marketable securities

Values in K€	Gross amount	Depreciation	30/06/2020	31/12/2019
Marketable securities	204		204	505



4.7. Changes in equity

Values in K€	Capital	Reserves + Premiums	Treasury shares	Income	Translation differences	Total group share	Minority interests
<b>Equity N-2</b>	<b>2,862</b>	<b>26,375</b>	<b>-86</b>	<b>4,448</b>	<b>-80</b>	<b>33,519</b>	
Allocation to reserves		4,448		-4,448			
Commitment Pensions							
Change in capital	30	-30					
Change in treasury shares			1			1	
Change in scope							
Income N-1				5,904		5,904	
Change in translation differences					314	314	
<b>Equity N-1</b>	<b>2,892</b>	<b>30,793</b>	<b>-85</b>	<b>5,904</b>	<b>233</b>	<b>39,737</b>	
Allocation to reserves		5,904		-5,904			
Commitment Pensions		-133				-133	
Change in capital	22	-22					
Change in treasury shares			-12			-12	
Change in scope							693
Income N				2,201		2,201	-11
Change in translation differences					-4	-4	
<b>Equity N</b>	<b>2,914</b>	<b>36,541</b>	<b>-96</b>	<b>2,201</b>	<b>229</b>	<b>41,789</b>	<b>682</b>

The number of shares making up the share capital of FREELANCE.COM SA is detailed as follows:

	No. of shares	Nominal value
At 31/12/2019	36,144,635	€0.08
At 30/06/2020	36,423,699	€0.08

Since 1 January 2020, FREELANCE.COM's share capital has been increased by €22K through the issue of 279,064 new shares with a nominal value of €0.08 each (Free Share Distribution - FSD).

It thus goes from €2,892K composed of 36,144,635 shares with a nominal value of €0.08 to €2,914K composed of 36,423,699 shares with a nominal value of €0.08.

As a result of the transactions described above, FREELANCE.COM's share premium decreased by a total amount of €22K.

FREELANCE.COM holds a portion of its own shares under the liquidity contract entrusted to the company Gilbert Dupont. During the 1<sup>st</sup> half-year of 2020, FREELANCE.COM bought 157,295 shares and sold 162,134. At 30 June 2020, it held 31,443 shares valued at their purchase price, i.e. €96,000, according to the FIFO (First In First Out) method. Gains or losses on disposals are recognised directly in the income statement.

4.8. Provisions for liabilities and charges and provisions for depreciation

Values in K€	Opening	Increase	Decreases (1)	Change in scope (2)	Other movements (3)	Closing
Provisions for Liabilities and Charges	1,097	70	-82	911	137	2,133
Provisions for impairment of:						
- intangible assets	127					127
- tangible assets						
- long-term investments	16					16
- trade accounts receivable	1,912	389	-582	41	12	1,772
- other receivables	6		-6			
- securities						
<b>Total</b>	<b>3,158</b>	<b>459</b>	<b>-671</b>	<b>952</b>	<b>149</b>	<b>4,047</b>

Impact on income

Operating income  
 Financial income  
 Exceptional income

	Allowances	Reversal
Operating income	429	-588
Financial income	30	-82
Exceptional income	459	-671

- (1) operating earnings after net provisions correspond mainly to provisions used
- (2) the change in scope column corresponds mainly to the dispute between INOP'S and the tax authorities (€627K)
- (3) other movements mainly relate to currency fluctuations and the first recognition of IFCs in the consolidated accounts

Provisions and impairments mainly concern six types of risk:

- Regulatory risks (tax, Urssaf, etc.) for an amount of €1,218K
- Customer risks of non-recovery of receivables in the amount of €1,772K
- Social risks from disputes with employees in the amount of €361K
- Commercial contractual risks for €218K
- Technological risks related to IT developments for €127K
- Retirement benefits of €336K (including INOP'S for €203K and historical scope for €133K, determined with the following main assumptions: discount rate of 0.77% and rate of increase in remuneration of 2%)

Allowances and write-backs of provisions mainly relate to the risk of non-recovery of trade receivables.

Allowances and write-backs of provisions which impact the exceptional incomes are detailed in the note 5.6 and mainly concern other risks.

4.9. Borrowings and financial debts

Values in K€	Gross amount	Less than one year	More than one year and less than 5	More than 5 years
Bond loans	11,076		11,076	
Bank loans	10,360	10,080	280	
Bank overdrafts	9	9		
Other financial liabilities	498	498		
Finance lease liabilities				
<b>Borrowings and financial debts</b>	<b>21,944</b>	<b>10,587</b>	<b>11,356</b>	

On 22 December 2016, FREELANCE.COM issued 10,548,984 convertible bonds with a nominal value of €1.05 each, i.e. a total bond issue of €11,076K fully subscribed by CBV. Each convertible bond entitles the holder to one new FREELANCE.COM share at any time up to its 5-year maturity. Convertible bonds bear interest at 3% per annum. They will not be admitted to trading on Euronext Growth Paris or any other stock exchange.

The bank loans consist of €10M in PGE loans taken out by the wage portage subsidiaries and €360K in a loan taken out by INOP'S. The PGE loans, with an initial maturity of one year, may, at our initiative, be rescheduled over a maximum period of 5 years.

Other financial liabilities of €498K relate to accrued interest (18 months) on convertible bonds.

4.10. Operating liabilities

Operating liabilities are mainly due within one year, with the following breakdown:

Values in K€	30/06/2020	31/12/2019
Trade payables and related accounts	<b>60,312</b>	<b>34,729</b>
Social security liabilities (1)	32,230	26,823
Tax liabilities	19,964	14,942
Debts on fixed assets and related accounts	12	14
Other debts	994	1,126
<b>Total other debts</b>	<b>53,201</b>	<b>42,904</b>
Prepaid income	1,275	809
<b>Total</b>	<b>114,788</b>	<b>78,442</b>

(1) The increase in social security liabilities is mainly due to the impact of the health crisis with a payment schedule for social security liabilities at the end of June 2020 compared to 31 December 2019, as well as the entry of INOP'S into the scope for €1.6M. The impact will be reflected in the line "Change in working capital from operations" in the cash flow statement (Note 7).

Note 5 - Information on income statement items

5.1. Breakdown of turnover

Values in K€	30/06/2020	30/06/2019
<b>Provision of services:</b>	<b>75,221</b>	<b>46,922</b>
- France	63,209	36,023
- Export	12,012	10,899
<b>Wage portage</b>	<b>56,143</b>	<b>63,574</b>
- France	41,010	46,874
- Export	15,132	16,700
<b>Other</b>	<b>1,182</b>	<b>1,025</b>
<b>Total</b>	<b>132,546</b>	<b>111,522</b>

The line “Other” concerns the turnover of the compliance activity mainly borne by PROVIGIS.

5.2. Other operating revenue

They include reversals of provisions for doubtful debts amounting to €588K and expense transfers of €596K.

5.3. Details of other purchases and external charges

Values in K€	30/06/2020	30/06/2019
Purchases of services	71,357	41,513
Salesmen's commissions	286	522
Other	6,106	6,616
<b>Total</b>	<b>77,749</b>	<b>48,651</b>

5.4. Details of personnel expenses

Values in K€	30/06/2020	30/06/2019
Administrative staff	4,655	4,502
Ported and temporary staff	46,509	52,526
<b>Total</b>	<b>51,165</b>	<b>57,028</b>

Employee profit sharing amounts to €152K at the end of 2019 and nil at 30/06/2020.

5.5. Breakdown of financial income

Values in K€	30/06/2020	30/06/2019
Financial revenue from investments		
Revenue from other marketable securities & receivables from fixed assets	15	40
Other interest and similar revenue	9	11
Provision write-backs & Transfer of expenses		22
Exchange rate gains	350	243
Net income from disposals and marketable securities		2
<b>Financial revenue</b>	<b>374</b>	<b>318</b>
Depreciation allowance and provisions		0
Interest and similar expenses	237	246
Exchange rate losses	414	105
Net expenses from disposals of marketable securities		13
<b>Financial expenses</b>	<b>651</b>	<b>365</b>
<b>Financial income</b>	<b>-277</b>	<b>-47</b>

The Swiss subsidiaries contributed €214K to the net exchange rate differences, and FREELANCE.COM contributed €165K due to the impact of dividends paid by the Swiss subsidiaries.

Interest and similar expenses of €237K include €166K of interest calculated on FREELANCE.COM related to the bond loan issued on 31 December 2016 with CBV.

5.6. Breakdown of exceptional income

Values in K€	30/06/2020	30/06/2019
Exceptional income from general and administrative expenses	89	23
Other exceptional income on capital transactions	34	15
Provision write-backs & transfer of expenses	82	268
<b>Exceptional revenue</b>	<b>205</b>	<b>306</b>
Exceptional expenses from general and administrative expenses	72	511
Other exceptional expenses on capital transactions	0	13
Exceptional depreciation allowances & provisions	30	126
<b>Exceptional expenses</b>	<b>102</b>	<b>650</b>
<b>Exceptional income</b>	<b>104</b>	<b>-344</b>

The net exceptional result includes in particular €66K of unused provision write-backs on the Swiss subsidiaries and €53K of TEOPHILE losses prior to the entry into the scope of consolidation.

5.7. Income tax and deferred taxes

As of 1 January 2019, the French companies in the group have formed a tax consolidation group of which FREELANCE.COM is the parent. At 30 June 2020, the resulting savings amount to €205K.

The income tax recorded corresponds to the corporate taxes due by the Moroccan subsidiaries (€38K) and the Swiss-German subsidiaries (€248K).

A first deferred tax was recognised for €57K following the acquisition of INOP'S and the restatement of retirement benefits when calculating goodwill.

For information, the Group's deficit carry-forwards at the end of 2019 amount to €8,279K.

Note 6 - Other information

6.1. Off-balance sheet commitments

Commitments given	Amount in K€
Outstanding trade receivables assigned to a factoring organisation	31,964
Reimbursement of the rental exemption in case of departure before	738
<b>Commitments received</b>	<b>Amount in K€</b>
Asset and liability guarantee granted by the assignors of the SAVOIR FAIRE Group until 16/06/2021	340

**6.2. Contingent liabilities**

All outstanding risks as at 30 June 2020 have been provisioned.

**6.3. Permanent staff at the end of June 2020**

	France	Foreign	Total 30/06/20 20	Total 31/12/20 19
Salaried staff:				
- executives	59	19	78	84
- employees	50	6	55	49
<b>Total</b>	<b>108</b>	<b>25</b>	<b>133</b>	<b>133</b>

The permanent workforce excludes ported employees and temporary workers. For information, 75 INOP'S employees are not included in the above data.

**6.4. Statutory auditors' fees**

Statutory auditors' fees represented an expense of €146K in 2019.

**6.5. Related parties**

All transactions with related parties are concluded under normal market conditions. The main operation concerned is described in § 4.9 above.

Note 7 - Consolidated cash flow statement

Values in K€	30/06/2020	31/12/2019
<b>Consolidated net income</b>	<b>2,190</b>	<b>5,904</b>
Depreciation and provisions	318	152
Change in differed taxes		
Gains and losses on disposals, net of tax		27
Other non-cash flows		-4
<b>Cash flow from operations of integrated companies</b>	<b>2,509</b>	<b>6,078</b>
Change in working capital from operations (1) (2)	6,205	1,045
<b>Net cash flow from operating activities</b>	<b>8,714</b>	<b>7,124</b>
Asset acquisitions	-932	-1,309
Impact of changes in scope (3)	-7,957	
Disposals of assets, net of tax	4	135
<b>Net cash flow from investing activities</b>	<b>-8,885</b>	<b>-1,174</b>
Capital increases or decreases in cash Loan issues		
	10,166	332
Loan repayments		-332
<b>Net cash flow from financing activities</b>	<b>10,166</b>	
Other cash flows	7	
<b>Change in cash flow</b>	<b>10,002</b>	<b>5,950</b>
Treasury - Opening	26,624	20,327
Bank overdrafts - Opening	-73	-5
Cash and cash equivalents - Change in exchange rates	-26	257
Cash and cash equivalents - Other changes		22
Cash and cash equivalents - Closing	36,535	26,624
Bank overdrafts - Closing	-9	-73
<b>Change in cash accounts</b>	<b>10,002</b>	<b>5,950</b>

(1) including, at 30 June 2020, the impact of the health crisis on the social security and tax liability schedule in the order of + €6,200K.

(2) including, at 31 December 2019, the impact of the health crisis of the advance payment of social security liabilities in the order of - €2,000K.

(3) cost price of shares +/- cash available at the date of acquisition of the companies included in the scope of consolidation during the period.



Note 8 - Pro forma information

8.1. Impact on the balance sheet

The purchase price of the shares of €14,836K breaks down as follows:

ASSETS in K€	30/06/2020
Intangible assets	12,953
Tangible assets	61
Long-term investments	187
<b>Fixed assets</b>	<b>13,202</b>
Inventories and work in progress	
Trade receivables	25,712
Deferred tax assets	57
Other receivables	5,042
Marketable securities	
Cash in bank and at hand	6,829
<b>Current assets</b>	<b>37,640</b>
<b>Accruals</b>	<b>158</b>
<b>Total ASSETS</b>	<b>50,999</b>
LIABILITIES in K€	30/06/2020
<b>Shareholders' equity - Group share</b>	<b>14,836</b>
<b>Minority interests</b>	<b>688</b>
<b>Other equity</b>	
<b>Provisions for liabilities and charges</b>	<b>911</b>
Borrowings and financial debts	360
Trade payables and related accounts	27,724
Tax and social security liabilities	6,244
Debts on fixed assets and related accounts	
Other debts	222
<b>Debts</b>	<b>34,550</b>
<b>Accruals</b>	<b>15</b>
<b>Total LIABILITIES</b>	<b>50,999</b>

8.2. Pro forma income statement

In K€	30/06/2020	30/06/2020	30/06/2020
	Historical scope	Pro forma accounts	INOP'S contribution
<b>Turnover</b>	<b>132,546</b>	<b>183,926</b>	<b>51,380</b>
<b>Other operating revenue</b>	<b>1,184</b>	<b>1,186</b>	<b>2</b>
Purchases and inventory changes			
Other purchases and external expenses	77,749	124,661	46,912
Taxes and duties	1,407	1,555	149
Personnel expenses	51,165	54,062	2,897
Asset amortisation allowance	331	460	129
Allowance for provisions	429	396	-33
CL - operating income (Conso)			
<b>Operating expenses</b>	<b>131,080</b>	<b>181,135</b>	<b>50,054</b>
<b>Operating income</b>	<b>2,650</b>	<b>3,977</b>	<b>1,328</b>
<b>Financial income</b>	<b>-277</b>	<b>-265</b>	<b>12</b>
<b>Earnings before tax and interest</b>	<b>2,373</b>	<b>3,712</b>	<b>1,339</b>
<b>Exceptional income</b>	<b>104</b>	<b>85</b>	<b>-18</b>
<b>Income tax</b>	<b>-286</b>	<b>-658</b>	<b>-372</b>
<b>Income of integrated companies</b>	<b>2,190</b>	<b>3,139</b>	<b>949</b>
Goodwill amortisation allowance			
<b>Consolidated overall income</b>	<b>2,190</b>	<b>3,139</b>	<b>949</b>
<b>Group income</b>	<b>2,201</b>	<b>2,913</b>	<b>712</b>
<b>Non-group income</b>	<b>-11</b>	<b>226</b>	<b>237</b>

Historical scope: consolidation scope excluding INOP'S acquired in June 2020 and contributing to the group's activity and income flows as of 1 July 2020

Pro forma scope: consolidation scope with INOPS contribution from 1 January 2020