



SWORD

UPGRADE YOUR BUSINESS

**2022 Interim
Financial Report**

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1. 2022 INTERIM ACTIVITY REPORT

1.1 Results and financial position for the first six months of 2022

€m - Consolidated ⁽¹⁾	30/06/2022	30/06/2021
Revenue	132.0	98.9
EBITDA	17.2	13.2
EBIT	13.6	10.1
Profit for the period	106.1	9.7

⁽¹⁾ The amounts and percentages are calculated based on the figures in thousands of euros.

Revenue and EBITDA may be broken down by division as follows:

€m - Consolidated ⁽¹⁾	Revenue	EBITDA
Software	6.5	2.0
IT Services	125.5	15.2
Total	132.0	17.2

⁽¹⁾ The amounts and percentages are calculated based on the figures in thousands of euros.

The backlog (see also Note 1.9 below) at 30 June 2022 was 23.8 months.

The net cash position (defined as “cash and cash equivalents” less “financial debt”) at the end of June was €22.6 million (under IFRS in force at 30 June 2022).

1.2 Highlights of the first six months of 2022

On 21 March 2022, the Group signed an agreement to purchase 100% of Ping Network Solutions Limited, a company incorporated in the UK, for GBP 10,206,000 (equivalent to €12,157,000), excluding additional payments.

Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskconnect for GBP 114,061,000 (equivalent to €136,565,000). The disposal covers the design and sale of governance, risk and compliance (GRC) software.

1.3 Strategy

Since its creation, the Group's core business has been global Data Management.

In the space of 20 years, the services offered by the Group developed from Document Management to Digital Management for companies and organisations.

In terms of its clients, Sword Group works exclusively for large clients, international organisations and government offices.

Its principal technologies are:

- CRM, CS, IA, SIG, PI, RPA, ML, BI, BIG DATA, DATA SCIENCE.

The target clients depend on the business area in question and the location of our subsidiaries.

Our service-focused activities are structured around a local approach specific to a country or a group of countries.

In addition to the technologies listed above, the added value provided by our subsidiaries also comes from their specialist knowledge and their ability to adapt to each culture, such as:

- The European Union in the Benelux, with the provision of services to major functional divisions (Customs, Research, Court of Justice, Parliament, EUROSTAT, etc.),
- Government Institutions and Oil & Gas in the United Kingdom, with services provided under major contracts (Health, Police, North Sea, etc.),
- Sport, Luxury goods and International Organisations in Switzerland and in New York, as a result of our ability to support international organisations or leading companies in the luxury goods sector and international sporting organisations,
- Governmental and banking markets in the Middle East and the offshore provision of IT services from Chennai (India) and Beirut (Lebanon).

1.4 Related-party transactions

This is discussed in the notes to the consolidated financial statements below (Note 35).

1.5 Principal risks and uncertainties

Risk factors did not change over the six-month period. They are described on pages 23 *et seq.* of the 2021 Financial Report.

1.6 Outlook

The Group forecasts organic growth in 2022 readjusted to 20%. The budgeted revenue for 2022 will be close to €250 million with an EBITDA margin of 12%.

Acquisitions will remain an additional means of consolidating the Group's competitive position. The Group's management does not rule out the possibility of micro-acquisitions, which can be integrated into other entities that already exist.

1.7 Approval of consolidated financial statements

Sword Group's consolidated financial statements were approved by the Board of Directors on 20 July 2022.

1.8 Subsequent events

On 1 July 2022, the Group signed an agreement to purchase 100% of Phusion IM Limited, a company incorporated in the UK, for GBP 1,800,000 (equivalent to €2,097,000), excluding additional payments. Phusion IM Limited is a company that specialises in information management software solutions for the oil and gas and engineering sectors. This acquisition will allow the Group to make cost savings and to enhance its offering and target a broader client base.

1.9 Our methodology in relation to alternative performance indicators (“APIs”)

The non-IFRS financial indicators presented in the half-year report do not fall under a set of accounting standards or principles and must not be considered a substitute for the accounting aggregates presented in accordance with the IFRS standards. The non-IFRS financial indicators must be read in conjunction with the consolidated financial statements prepared in accordance with IFRS standards. It is also possible that Sword Group's non-IFRS financial indicators will not be comparable with other non-IFRS data used by other companies.

Management use non-IFRS financial indicators, in addition to IFRS financial information, to assess their operating performance, evaluate their ability to generate cash flow, take strategic and operational decisions and plan and set their growth objectives. The Group believes that the non-IFRS financial indicators also provide investors and financial analysts with a relevant basis for assessing the Group's operational performance over time and comparing it with that of other companies in its sector, as well as for meeting its development needs.

The Group mainly uses two non-IFRS financial indicators, i.e. the organic growth rate and a measure of profitability calculated on the basis of EBITDA.

Organic growth is defined as revenue growth on a like-for-like basis. **Organic growth on a constant exchange-rate basis** corresponds to revenue growth on a like-for-like basis and at constant exchange rates.

To measure **revenue growth on a like-for-like basis**, the Group takes as its starting point the consolidation scope at the end of the benchmark period (in this case 30 June 2021). Therefore, the consolidated revenue for the period under review (N) and the same period in the previous year (N--1) has been restated as follows:

- it includes revenue generated by entities acquired during period N prior to the date on which the Group took control;
- it does not include revenue generated for period N and period N-1 by the companies sold during period N.

When reference is made to changes in revenue at constant exchange rates, the impact of exchange rates is eliminated by recalculating the revenue for period N-1 on the basis of exchange rates used for period N.

Organic growth can be used to assess the Group's ability to generate internal growth, in other words its ability to develop its business activities and create added value.

This report presents growth in revenue in terms of historical value before restatement, or on a like-for-like and constant exchange-rate basis.

Group **profitability** is defined as a gross margin rate by comparing current EBITDA with revenue.

Current EBITDA corresponds to revenue less purchases, personnel expenses, other external charges, allocations to provisions and other current operating expenses, plus write-backs on provisions and other current operating income, as presented in the consolidated income statement. In the income statement, reference is made to “Earnings before interest, taxes, depreciation and amortisation, excluding non-recurring items”.

This profitability indicator has two objectives:

- to assess the Group's development in the medium term (excluding non-recurring costs),
- to assess the Group's capacity to generate cash flow arising from day-to-day operations (in other words, its self-financing capacity).

In addition to the indicators described above, the Group uses current EBIT (see definition below) as a starting point for assessing free cash flow when it conducts goodwill impairment tests. A sensitivity analysis is conducted in the context of these tests. It aims to ensure fluctuations, within a reasonable range, in the scenarios used as a basis for estimated financial forecasts, including EBIT expressed as a percentage of revenue.

Current EBIT (listed as “Earnings before interest and taxes, excluding non-recurring items” in the consolidated income statement) is an aggregate similar to current EBITDA, if only in so far as it provides an indication of the Group's operating margin after deducting depreciation charges, i.e. after taking account of its investment structure.

The **backlog** is calculated by comparing orders placed (before completion) at the end date of an accounting period with the revenue for the period in question. The resulting ratio, expressed in months of revenue, seeks to measure the intensity of the Group's sales activity.

The backlog includes "signed" and "weighted" orders. "Weighted" orders are broken down as follows: Orders that have been verbally agreed are "80% weighted", contracts that are in the process of being awarded where two bidders including the Group have been short-listed are "50% weighted" and contracts that are in the process of being awarded where the Group is still in the running but does not know the number of bidders still in the process are "30% weighted".

2. CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2022 AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

<i>(in thousands of €)</i>	Notes	30 June 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Goodwill	13	69,563	66,503
Other intangible assets	14	5,808	19,032
Property, plant and equipment	15	4,146	3,171
Right-of-use assets	16	12,302	7,860
Financial assets at fair value through other comprehensive income	17.6	3,100	3,011
Deferred tax assets		634	743
Other assets	19	770	743
TOTAL NON-CURRENT ASSETS		96,323	101,063
CURRENT ASSETS			
Trade and other receivables	18	33,473	32,415
Work in progress	8	32,840	21,727
Current tax assets		696	664
Other assets	19	22,517	10,760
Cash and cash equivalents		39,091	55,295
Prepaid expenses		7,650	3,752
TOTAL CURRENT ASSETS		136,267	124,613
TOTAL ASSETS		232,590	225,676

The notes hereinafter form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

As at 30 June 2022

<i>(in thousands of €)</i>	Notes	30 June 2022	31 December 2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital	33	9,545	9,545
Share premiums		70,676	70,676
Reserves		9,747	8,181
Retained earnings		10,191	4,510
TOTAL EQUITY – GROUP SHARE		100,159	92,912
Non-controlling interests (minority interests)	10	840	1,416
TOTAL EQUITY		100,999	94,328
NON-CURRENT LIABILITIES			
Lease obligations	16	10,119	6,220
Other financial debts	21	16,000	-
Pension provisions		212	222
Other provisions	20	230	337
Deferred tax liabilities		1,439	1,634
Other liabilities	23	33,197	48,882
TOTAL NON-CURRENT LIABILITIES		61,197	57,295
CURRENT LIABILITIES			
Lease obligations	16	2,923	2,784
Other financial debts	21	467	278
Other provisions	20	480	749
Trade and other payables	22	21,362	24,963
Current tax liabilities		1,530	932
Other liabilities	23	28,970	30,794
Prepaid services	8	14,662	13,553
TOTAL CURRENT LIABILITIES		70,394	74,053
TOTAL LIABILITIES		131,591	131,348
TOTAL EQUITY AND LIABILITIES		232,590	225,676

The notes hereinafter form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF NET INCOME

As at 30 June 2022

<i>(in thousands of €)</i>	Notes	30 June 2022	30 June 2021
Revenue	7,8	132,007	98,945
Purchases		(11,068)	(4,675)
Personnel expenses	25	(59,283)	(45,502)
Other external charges	26	(44,521)	(36,189)
Reversals of provisions/(allocations to provisions), net	27	93	618
Other current operating expenses		(851)	(558)
Other current operating income		829	512
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION, EXCLUDING NON-RECURRING ITEMS (EBITDA)		17,206	13,151
EBITDA as a %		13.03%	13.29%
Charges for depreciation of property, plant and equipment	15	(592)	(1,097)
Charges for depreciation of right-of-use assets	16.1	(1,520)	(577)
Charges for depreciation of intangible assets arising from business combinations		(823)	(594)
Charges for depreciation of other intangible assets		(635)	(745)
EARNINGS BEFORE INTEREST AND TAXES EXCLUDING NON-RECURRING ITEMS (EBIT)		13,636	10,138
EBIT as a %		10.33%	10.25%
Income from disposals of assets and subsidiaries	28	99,128	1,708
Impairment loss on assets	29	(1,087)	(15)
Other non-recurring items	30	(2,940)	(1,278)
OPERATING PROFIT (OP)		108,737	10,553
OP as a %		82.37%	10.67%
Financial income		922	1,773
Financial expenses		(1,838)	(1,076)
Financial result	31	(916)	697
PROFIT BEFORE TAX		107,821	11,250
Income tax	24	(1,683)	(1,556)
PROFIT FOR THE PERIOD		106,138	9,694
<i>Of which:</i>			
Group share		106,298	9,497
Non-controlling interests (minority interests)		(160)	197
Earnings per share for the profit for the period – Group share			
Basic earnings per share <i>(in €)</i>	32	11.15	1.00
Diluted earnings per share <i>(in €)</i>	32	11.15	1.00

The notes hereinafter form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As at 30 June 2022

<i>(in thousands of €)</i>	Notes	30 June 2022	30 June 2021
PROFIT FOR THE PERIOD		106,138	9,694
OTHER COMPREHENSIVE INCOME			
<i>Recyclable items in profit or loss</i>			
Translation differences			
- during the period		1,812	1,217
Total recyclable items in profit or loss		1,812	1,217
<i>Non-recyclable items in profit or loss</i>			
Defined-benefit plans			
- Actuarial gains and losses on post-employment benefits		14	3
Financial assets at fair value through other comprehensive income			
- Gain related to remeasurement at fair value	17	89	-
Total non-recyclable items in profit or loss		103	3
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		1,915	1,220
COMPREHENSIVE INCOME FOR THE PERIOD		108,053	10,914
<i>Of which:</i>			
Group share		108,193	10,695
Non-controlling interests (minority interests)		(140)	219

The notes hereinafter form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2022

<i>(in thousands of €)</i>	Share capital	Share premium	Treasury shares	Reserve for remeasurement of financial assets	Defined-benefit plans	Foreign-currency translation reserve	Retained earnings	Total	Non-controlling interests (minority interests)	Total equity
BALANCE AS AT 1 JANUARY 2021	9,545	70,676	1,745	526	(215)	491	51,382	134,150	1,792	135,942
<i>Profit for the period</i>	-	-	-	-	-	-	9,497	9,497	197	9,694
<i>Other comprehensive income</i>	-	-	-	-	3	1,195	-	1,198	22	1,220
Comprehensive income for the period	-	-	-	-	3	1,195	9,497	10,695	219	10,914
Repurchase/resale of ordinary shares ⁽¹⁾	-	-	308	-	-	-	-	308	-	308
Payment of dividends ⁽²⁾	-	-	-	-	-	-	(45,809)	(45,809)	-	(45,809)
Transactions between shareholders ⁽³⁾	-	-	-	-	-	-	(15,114)	(15,114)	(642)	(15,756)
BALANCE AS AT 30 JUNE 2021	9,545	70,676	2,053	526	(212)	1,686	(44)	84,230	1,369	85,599
BALANCE AS AT 1 JANUARY 2022	9,545	70,676	2,092	684	(212)	5,617	4,510	92,912	1,416	94,328
<i>Profit for the period</i>	-	-	-	-	-	-	106,298	106,298	(160)	106,138
<i>Other comprehensive income</i>	-	-	-	89	14	1,792	-	1,895	20	1,915
Comprehensive income for the period	-	-	-	89	14	1,792	106,298	108,193	(140)	108,053
Repurchase/resale of ordinary shares ⁽¹⁾	-	-	(329)	-	-	-	-	(329)	-	(329)
Payment of dividends ⁽²⁾	-	-	-	-	-	-	(95,414)	(95,414)	-	(95,414)
Transactions between shareholders ⁽³⁾	-	-	-	-	-	-	(5,203)	(5,203)	(436)	(5,639)
BALANCE AS AT 30 JUNE 2022	9,545	70,676	1,763	773	(198)	7,409	10,191	100,159	840	100,999

⁽¹⁾See note 34.⁽²⁾See note 35.⁽³⁾See note 10.

The notes hereinafter form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 June 2022

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
<i>Cash flows from operating activities</i>		
Profit for the period	106,138	9,694
<i>Adjustments:</i>		
Depreciation charges	3,570	3,013
Impairment loss on property, plant and equipment and intangible assets	1,087	(627)
Impairment losses on trade receivables, net of reversal	(78)	15
Allocations to/(reversals of) other provisions	(19)	523
Provision charges for employee benefits	4	4
Net capital losses/gains on disposals of non-current assets, net of transaction costs	(99,128)	(1,708)
Changes in fair value of additional payments	-	(44)
Interest expenses on lease obligations	90	116
Interest expenses on loans and other financial debt	120	70
Income tax	1,683	1,556
Change in working capital	(15,976)	(9,168)
Cash flow (allocated to)/generated by operating activities	(2,509)	3,444
Tax paid	(545)	(1,608)
NET CASH FLOWS (ALLOCATED TO)/FROM OPERATING ACTIVITIES	(3,054)	1,836
<i>Cash flows from investment activities</i>		
<i>Acquisitions/new consolidations:</i>		
- Intangible assets generated internally	(3,512)	(2,465)
- Other intangible assets	(344)	(14)
- Property, plant and equipment	(1,312)	(1,402)
<i>Disposals/deconsolidations:</i>		
- Property, plant and equipment	4	13
Acquisition of control of subsidiaries, net of cash and cash equivalents acquired	(11,789)	(3,082)
Loss of control of subsidiaries, net of cash and cash equivalents disposed of	114,527	2,296
NET CASH FLOWS FROM/(ALLOCATED TO) INVESTMENT ACTIVITIES	97,574	(4,654)

The notes hereinafter form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

As at 30 June 2022

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Cash flows from financing activities		
Payment related to the repurchase and resale of ordinary shares	(329)	308
Acquisitions of non-controlling interests (minority interests)	(1,926)	(393)
Consideration received from non-controlling interests (minority interests)	2,219	843
Repayment of debt on commitments to repurchase securities held by Co-investors	(29,927)	-
Repayment of lease obligations	(1,924)	(1,436)
New loans and use of lines of credit	16,000	-
Interest paid on loans and other financial debt	(120)	(116)
Interest paid on lease obligations	(87)	(70)
Dividends paid to shareholders in the parent company	(95,414)	(45,809)
NET CASH FLOWS ALLOCATED TO FINANCING ACTIVITIES	(111,508)	(46,673)
Net change in cash and cash equivalents	(16,988)	(49,491)
Cash and cash equivalents at the start of the period	55,017	105,807
Change in foreign exchange rate effect	595	853
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	38,624	57,169

The notes hereinafter form an integral part of the consolidated interim financial statements.

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 1. GENERAL INFORMATION

1.1 Company presentation

Sword Group SE (the “Company”) is a European company (*Societas Europaea*, or SE) established under Luxembourg law, having its headquarters at 2 Rue d'Arlon, Windhof (Luxembourg). The Company is registered in the Register of Commerce and Companies of Luxembourg under number B 168.244.

Sword Group, comprising the Company and the companies it controls, specialises in the global delivery of software and IT services, primarily to public institutions and international groups.

The Group offers a wide range of services, including strategic and operational consulting, solution engineering and application development, project ownership support and project management support, infrastructure management and application maintenance for third parties, and resource outsourcing.

The Company's shares are listed on Euronext Paris (Compartment B).

The condensed interim consolidated financial statements are available on the website of the Luxembourg Stock Exchange.

The condensed interim consolidated financial statements were approved by the Board of Directors on 20 July 2022.

1.2 Major events in the period

On 21 March 2022, the Group signed an agreement to purchase 100% of Ping Network Solutions Limited, a company incorporated in the UK, for GBP 10,206,000 (equivalent to €12,157,000), excluding additional payments. See Note 11.

Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskconnect for GBP 114,061,000 (equivalent to €136,565,000). The disposal covers the design and sale of governance, risk and compliance (GRC) software. See Note 12.

NOTE 2. SEASONALITY

The Group's business is not exposed to material seasonal variations.

NOTE 3. BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

3.1 Basis for preparation of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements for the period ended 30 June 2022 have been prepared in accordance with IAS 34, *Interim Financial Reporting* and, accordingly, do not include all the information required for annual consolidated financial statements. They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (hereinafter "IFRS" or "IFRS standards").

The condensed interim consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

3.1 Change of accounting methods

The accounting policies and the calculation methods used for the condensed interim consolidated financial statements are the same as those used for the annual consolidated financial statements for the financial year ended on 31 December 2021.

In addition, in 2022, the Group has not applied any standard or interpretation in advance and did not make any change to its accounting policies in the first half of 2022.

NOTE 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the condensed interim consolidated financial statements, the material judgements made by Management in applying the Group's accounting policies and the main sources of uncertainty in making estimates are the same as those that apply to the preparation of the annual consolidated financial statements for the financial year ended on 31 December 2021, with the exception of the following:

4.1 Impact of the disposal of the GRC business on the presentation of the income statement

On 26 February 2022, two Group subsidiaries, namely Sword Soft Limited and Sword Co-Investment Fund SCSp, signed a Sales and Purchase Agreement (SPA) with Riskconnect, providing for the disposal of the GRC business effective 21 April 2022.

Although the GRC activities represent a material share (99% as at 31 December 2021) of the "Software" segment, the disposal was not shown on a separate line of the income statement, entitled "Net profit (loss) from discontinued activities", which includes income generated by the discontinued activity and expenses directly attributable to the activity, net of tax, for the entire period being presented and the profit (loss) on disposal resulting from the derecognition of the assets and liabilities disposed of.

As such, for the disposal of the GRC activity to be able to be presented as a discontinued activity under IFRS 5, the following conditions need to be met:

- The disposal group (including both the assets to be disposed of and any related liabilities) is a component of the Group, and
- This disposal group represents a separate major line of business or geographical area of operations.

Prior to the end of the period ended on 30 June 2022, the Group's management team reviewed the conditions for classifying a business as discontinued and concluded that the disposal of the GRC business did not constitute the discontinuation of a separate major line of business, for the following reasons:

- The disposal is not the result of a change of strategy or a decision to discontinue a business, since the Group was approached by a group that specialises in mergers and acquisitions at a time when it had not actively begun to search for a buyer and it was in the process of implementing an investment plan;
- The Group continues to grow its "Software" business, as demonstrated by the acquisition of Phusion IM Limited in July 2022 (Note 39);
- The "Software" business is still regularly monitored as part of the Group's management activities; and
- The Group's strategy includes carrying out M&A activity to support organic growth, resulting in one of more acquisitions or disposals each year, without any discontinuation of the Group's historic business lines, namely IT services and software.

Please refer to Notes 9 and 12 for an assessment of the impact of the disposal of the GRC activities on the Group's main aggregates.

4.2 Changes made to operating segments

Segment information is based on the Group's internal management structure.

As required by IFRS 8, segment information is based on internal management data used by the Chairman and Chief Executive Officer of Sword Group, the Group's chief operating decision maker (CODM).

For the financial years ended on 31 December 2021 or earlier, the operating segments presented by the Group were based on business components, i.e. the "IT Services" segment and the "Software" segment.

Following the introduction of employee stock ownership plans in the United Kingdom, the Belux region and Switzerland, internal management reports were revised to reflect both the "Business" dimension and the "Geographical segment" dimension, given that only those segments that generate more than 10% of revenue or 10% of net profit are presented in accordance with the requirements of IFRS 8.

For the period ended on 30 June 2022, the "Services" dimension, which is split into three geographical regions, and the "Software" dimension were designated as key focuses of analysis by the CODM. As a result, and in accordance with the provisions of IFRS 8, the Group has the following operating segments:

- Services/United Kingdom
- Services/Belux
- Services/Switzerland
- Software

For the period ended on 30 June 2021 and the financial year ended on 31 December 2021, the operating segments have been restated to take account of the above-mentioned changes.

4.3 Re-allocation of goodwill to cash-generating units

As recommended in IAS 36, the goodwill arising from a business combination is allocated to a cash-generating unit ("CGU") likely to benefit from business combination synergies.

In view of the changes made to the operating segments and the level at which goodwill is managed and its performance is assessed by the Group, the CGUs selected by the Group from the 2022 financial year onwards for the purposes of impairment testing are included in the operating segments that combine businesses and geographical segments (see Note 4.2). Previously, the CGUs selected by the Group corresponded to the Group's business segments, i.e. IT services and software.

As a result, goodwill was reallocated to the above-mentioned service-related CGUs based on their relative value, i.e. the recoverable amount of the CGUs as at 31 December 2021, calculated based on financial data collected in order to carry out impairment testing on that date.

The Group compared the recoverable amount of the Services CGUs with their net carrying amount, including goodwill, based on financial data available as at 31 December 2021, and noted that the recoverable value of each CGU far exceeded its net carrying amount.

4.4 Breakdown of revenue

Following the disposal of the GRC business, the Group's management team took the view that the breakdown of revenue for the period ended on 30 June 2022 should be reviewed to provide relevant information. The comparative data has consequently been restated. See Note 7.

NOTE 5. FINANCIAL RISK MANAGEMENT POLICY

The Group is exposed to credit risk, liquidity risk and market risk (including interest-rate risk and foreign-currency risk) with respect to the use of financial instruments. Financial risk management is handled by the Finance Department and consists of minimising the potentially unfavourable impact of these risks on the Group's performance.

The condensed interim consolidated financial statements do not include all the financial risk management information required in the annual consolidated financial statements. They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021.

There have been no significant changes in the management of, and policy on, financial risks since the end of the previous year.

NOTE 6. FAIR-VALUE MEASUREMENT**6.1 Fair-value hierarchy**

To reflect the importance of the data used in fair-value measurements, the Group classifies these measurements on the basis of a two-tier hierarchy:

- Level 1: (unadjusted) prices quoted on asset markets for identical assets or liabilities;
- Level 2: data other than the quoted prices targeted at Level 1 that are observable for the asset or liability in question, either directly (i.e. prices) or indirectly (i.e. data derived from prices); and
- Level 3: data relating to the asset or liability which are not based on observable market data (unobservable data).

The tables below provide an analysis of assets and liabilities recognised at fair value in the balance sheet by hierarchical level:

<i>In thousands of €</i>	Level 1	Level 2	Level 3	Total as at 30 June 2022
Assets at fair value				
<i>Financial assets at fair value through other comprehensive income</i>				
Shares in Coexya Group (Note 17)	-	-	3,100	3,100
<i>Financial assets at fair value through profit or loss</i>				
Contingent consideration on sale (Note 19)	-	-	491	491
TOTAL ASSETS AT FAIR VALUE	-	-	3,591	3,591

<i>In thousands of €</i>	Level 1	Level 2	Level 3	Total as at 31 December 2021
Assets at fair value				
<i>Financial assets at fair value through other comprehensive income</i>				
Shares in Coexya Group (Note 17)	-	-	3,011	3,011
<i>Financial assets at fair value through profit or loss</i>				
Contingent consideration on sale (Note 19)	-	-	6,060	6,060
TOTAL ASSETS AT FAIR VALUE	-	-	9,071	9,071

<i>(in thousands of €)</i>	Level 1	Level 2	Level 3	Total as at 30 June 2022
Liabilities at fair value				
<i>Financial liabilities at fair value through profit or loss</i>				
Contingent considerations on acquisitions (Note 23)	-	-	6,479	6,479
Commitments to repurchase securities held by minority shareholders/Co-investors ^(*) (Note 23)	-	-	38,774	38,774
TOTAL LIABILITIES AT FAIR VALUE	-	-	45,253	45,253

^(*)Net of any loans made directly to Co-investors

<i>(in thousands of €)</i>	Level 1	Level 2	Level 3	Total as at 31 December 2021
Liabilities at fair value				
<i>Financial liabilities at fair value through profit or loss</i>				
Contingent considerations on acquisitions (Note 23)	-	-	1,813	1,813
Commitments to repurchase securities held by minority shareholders/Co-investors ^(*) (Note 23)	-	-	64,704	64,704
TOTAL LIABILITIES AT FAIR VALUE	-	-	66,517	66,517

^(*)Net of any loans made directly to Co-investors

Should a fair-value level transfer be necessary, the Group would change the classification (bearing in mind the consequences in terms of measurement) on the date of the triggering event or on the date of the change of circumstances leading to the transfer. There was no transfer between Levels 1 and 2 during the period.

6.2 Measurement techniques

6.2.1. For business combinations, transactions with minority interests and sales of subsidiaries

Intangible assets

The fair value of software for third parties, SaaS contracts, software maintenance contracts, order books and client relations acquired in a business combination is calculated using the most appropriate method under the circumstances, including the multi-period excess earnings method, which consists of measuring the asset in question after deducting a reasonable return for the other assets generating cash flows. The valuation is a function of variables such as the rate of technological obsolescence, the client erosion rate (or even the contract renewal rate) and the discount rate.

Contingent considerations (liabilities) in connection with business combinations

The explanation below provides details of the techniques for measuring the fair value of contingent considerations (liabilities) and the main non-observable data used. Contingent considerations are classified as Level 3 of the fair-value hierarchy taking account of the use of non-observable data specific to the companies/interests acquired.

Ping Network Solutions Ltd

Measurement technique	Main non-observable data	Estimated values (2022)
EBITDA multiple, calculated as at 31 January 2023 and 2024	- Annual revenue growth rate for 2023	26%
	- Annual revenue growth rate for 2024	15%
	- EBITDA margin for 2023	15%
	- EBITDA margin for 2024	17%

The estimated fair value for Ping Network Solutions Ltd is expected to evolve in line with the revenue growth rate, given a probability considered to be high that the EBITDA margin (expressed as a percentage of revenue) will remain stable.

A change of more than 10% in revenue would result in a €612,000 increase in the contingent consideration relating to Ping Network Solutions Ltd as at 30 June 2022. A change of less than 10% in revenue would result in a €612,000 decrease in the contingent consideration relating to Ping Network Solutions Ltd as at 30 June 2022. The information set out above does not include any discounting, the impact of which is not considered to be material.

AiM Services Holding S.A. (AiM)

The fair value of the additional payment for AiM is based on the best estimate of the number of contracts signed from the acquisition date until 31 March 2022 and the share of the sale price to be returned to the seller for the disposal of non-core activities. The additional payment, estimated at €387,000 as at 31 December 2021, was revalued to €602,000 as at 30 June 2022, in view of the number of contracts signed, which was higher than anticipated.

Contingent considerations (assets) in connection with sales

The table below lists the techniques for measuring the fair value of contingent considerations (assets) and the main non-observable data used. Contingent considerations are classified as Level 3 of the fair-value hierarchy taking account of the use of non-observable data specific to the companies/interests sold.

Sword Sol

Measurement technique	Main non-observable data	Estimated values 2021
EBITDA multiple and revenue multiple, calculated as at 31 December 2020 and 31 December 2021	- Annual revenue growth rate	12.0%
	- EBITDA margin	12.6%

The fair value was estimated at €6,060,000 as at 31 December 2021, based on the annual revenue growth rate and the EBITDA margin (expressed as a percentage of revenue) set out above.

In the first half of 2022, the additional payment communicated by the purchaser of Sword Sol was determined to be €1,980,000, €1,489,000 of which had already been paid.

As the Group had valued the contingent consideration receivable (see Note 19) at €6,060,000 as at 31 December 2021, a capital loss of €4,080,000 was recognised in the income statement for the period ended on 30 June 2022 under "Income from disposals of assets and subsidiaries". Based on the information provided by the purchaser, this capital loss can be principally explained by the deterioration in the revenue growth rate, which fell from 12% to 6%, and by the fall in the EBITDA margin following the recognition of losses at completion on fixed-price projects.

Commitments to repurchase securities held by minority shareholders (also reported as "non-controlling interests")/Co-investors

The repurchase commitments are included at their fair value in the consolidated statement of financial position. The table below lists the techniques used for measuring both the fair value of debt related to commitments to repurchase

securities held by minority shareholders/Co-investors and the main non-observable data used by the Group. Debts are classified as Level 3 of the fair-value hierarchy taking account of the use of non-observable data specific to the subsidiaries involved.

Company	Measurement technique	Key non-observable data	Range of estimated values	
			2022	2021
Sword Co-Investment Fund	EBIT/EBITDA multiple or average of an EBIT/EBITDA multiple and a revenue multiple	- Annual revenue growth rate	10% - 18%	6% - 20%
		- EBIT/EBITDA margin	5.5% - 14.41%	6% - 30%

The estimated fair value is expected to increase if the annual revenue growth rate goes above current estimates and the EBITDA margin (expressed as a percentage of revenue) remains stable or increases.

A change of +25% in the growth rate of revenue generated by investments held by Sword Co-Investment Fund SCSp would result in a €1,936,000 increase in debt related to repurchases of securities held by Co-investors as at 30 June 2022, assuming that the EBITDA margin remained constant (31 December 2021: €4,450,000). A change of -25% in the growth rate would result in a €1,688,000 decrease in debt related to repurchases of securities held by Co-investors as at 30 June 2022 (31 December 2021: €4,256,000).

A change of +10% in the margin rate (EBITDA) of investments held by Sword Co-Investment Fund SCSp would result in a €5,279,000 increase in debt related to repurchases of securities held by Co-investors as at 30 June 2022, assuming that revenue remained constant (31 December 2021: €10,525,000). A change of less than 10% in the margin rate would result in a €4,698,000 decrease in debt related to repurchases of securities held by Co-investors as at 30 June 2022 (31 December 2021: €9,734,000).

Gross debt related to repurchases of securities held by Co-investors with an early repurchase clause (31.4% payable by June 2023 at the earliest, with the balance payable after 31 December 2023, where applicable) amounted to €34,190,000 (2021: €61,388,000).

6.2.2. In the ordinary course of business

Financial assets at fair value through other comprehensive income

Equity instruments at Level 1 are measured at the stock-exchange rate as at the reporting date. Other equity instruments belong to Level 3 and are measured on the basis of their net asset value, as communicated by the management of the company in question. The Group makes adjustments if it notes, on the basis of the available information, that the net asset value differs significantly from the fair value.

6.3 Reconciliation of Level 3 fair-value measurements

Financial assets at fair value through other comprehensive income

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Balance as at opening of the period/year	3,011	2,853
Total gains and losses	89	158
BALANCE AS AT THE END OF THE PERIOD/YEAR	3,100	3,011
Total gains and losses relating to assets held as at the end of the period/year	89	158

Total gains and losses relating to assets held as at the end of the period/year are included in other comprehensive income under “Financial assets at fair value through other comprehensive income - Gain related to remeasurement at fair value”. The cumulative impact is recorded in “Reserve for remeasurement of financial assets”.

Contingent considerations (assets)

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Balance as at opening of the period/year	6,060	8,000
Payments (Note 6.2.1)	(1,489)	(2,427)
Total gains and losses (Note 6.2.1)	(4,080)	487
BALANCE AS AT THE END OF THE PERIOD/YEAR	491	6,060
Total gains and losses relating to contingent considerations	(4,080)	487

Total gains and losses relating to contingent considerations (assets) are included in income for the period/year under “Income from disposals of assets and subsidiaries”.

Contingent considerations (liabilities)/debts related to commitments to repurchase securities held by minority shareholders/Co-investors

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Balance as at opening of the period/year	66,517	49,751
Acquisitions ⁽¹⁾	11,971	21,275
Disposals/payments	(33,359)	(1,158)
Total gains and losses	124	(3,351)
BALANCE AS AT THE END OF THE PERIOD/YEAR	45,253	66,517
Total losses relating to contingent considerations/debts related to commitments to repurchase securities held by minority shareholders/ Co-investors	102	1,351

⁽¹⁾Net of any loans made directly to Co-investors

Total gains and losses relating to contingent considerations (liabilities) and debts related to commitments to repurchase securities held by minority shareholders/Co-investors are included in income for the period/year under “Financial result” (see Note 31).

NOTE 7. BREAKDOWN OF REVENUE

Breakdown by business line	30 June 2022	30 June 2021
Software	6,919	9,221
IT Services	125,088	89,724
TOTAL	132,007	98,945

Breakdown by market type	30 June 2022	30 June 2021
Health, telecommunications and others	21,826	21,603
Insurance and finance	11,874	8,837
Industry	47,854	36,322
Governments/European institutions	50,453	32,173
TOTAL	132,007	9,220

See Note 9 for a breakdown of revenue by geographical sector.

NOTE 8. ASSETS AND LIABILITIES RELATING TO REVENUE RECOGNITION

The table below provides information on trade receivables, work in progress and prepaid services.

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Trade and other receivables (assets)	33,473	32,415
Work in progress (assets)	32,840	21,727
Costs of executing contracts activated following a deferral of revenue (Assets) ⁽¹⁾ (Note 8.4)	1,285	575
Prepaid services (Liabilities)	14,662	13,553

⁽¹⁾Included in prepaid expenses.

IFRS 15 uses the terms “contract assets” and “contract liabilities” to refer to the items commonly known as “Work in progress” and “Deferred income”. However, this standard does not prevent an entity using other terms in its statement of financial position. The Group has used the terms “Work in progress” and “Deferred income” to label these items in assets and liabilities.

The Group records in deferred charges under “Assets relating to the costs of executing contracts” costs related to installation and configuration services for certain software packages, whose revenues and associated costs are only recognised when the software is commissioned, regardless of whether this is marketed as licences or in SaaS mode. These assets are included in “Prepaid expenses”.

In accordance with IFRS 15, revenue recognised before the date when it is billed to clients is recognised as “Work in progress”. Interim payments exceeding the revenue recognised as at the reporting date are recorded as “Prepaid services”.

8.1 Analysis of significant changes in assets and liabilities relating to revenue recognition

The change in work in progress, costs of executing the activated contracts and prepaid services is proportional to revenue recognition.

8.2 Revenue relating to prepaid services

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Revenue recognised during the period/year and included in the opening balance of prepaid services	9,926	9,638
Revenues recognised during the period/year and relating to the performance of obligations met in previous periods/years ⁽¹⁾	-	-

⁽¹⁾This may include in particular the impact of changes in estimates on the measurement of the variable considerations and of such changes on the progress of the performance obligations recognised over time.

8.3 Outstanding performance obligations

Schedule of outstanding performance obligations on long-term and fixed-price contracts

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Less than 1 year	143,650	146,782
Between 1 and 2 years	65,344	85,215
Between 2 and 3 years	106,615	139,036
Share of revenue allocated to outstanding performance obligations as at reporting date	315,609	371,033

The above schedule corresponds to the order-book schedule (also known as the “production backlog”).

8.4 Assets relating to costs of executing contracts

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Assets relating to costs of executing contracts (gross balance)	1,285	575
Depreciation and impairment losses	-	-
Net balance of assets relating to costs of executing contracts	1,285	575

NOTE 9. SEGMENT INFORMATION

For the financial years ended on 31 December 2021 or earlier, the operating segments presented by the Sword Group were based on business components, i.e. the “IT Services” segment and the “Software” segment.

Following the introduction of employee stock ownership plans in the United Kingdom, the Belux region and Switzerland, and the disposal of the GRC business, the segments presented by the Group were revised to reflect both the “Business” dimension and the “Geographical segment” dimension, given that only those segments that generate more than 10% of revenue or 10% of net profit are presented in accordance with the requirements of IFRS 8.

For the period ended on 30 June 2022, the Group has the following operating segments:

- Services/United Kingdom
- Services/Belux
- Services/Switzerland
- Software

Please refer to Note 4 for further details of the changes made to the operating segments.

9.1 Information by segment

9.1.1. Analysis of the income statement as at 30 June 2022

<i>(in thousands of €)</i>	Services/Belux	Services/Switzerland	Services/United Kingdom	Software	Non-allocated	Consolidated total
Revenue outside Group <i>(External clients)</i>	39,705	39,137	46,246	6,919	-	132,007
Total revenue	39,705	39,137	46,246	6,919	-	132,007
Earnings before interest, taxes, depreciation and amortisation, excluding non-recurring items (EBITDA)	3,797	5,548	4,719	3,142	-	17,206
Depreciation charges	(900)	(1,091)	(509)	(921)	(149)	(3,570)
Earnings before interest and taxes, excluding non-recurring items (EBIT)	2,897	4,457	4,210	2,221	(149)	13,636
Income from disposals of assets	(8)	(372)	-	103,639	(4,131)	99,128
Impairment losses on assets	-	(1,087)	-	-	-	(1,087)
Other non-recurring items	(451)	(1,467)	(272)	(107)	(643)	(2,940)
Operating profit (OP)	2,438	1,531	3,938	105,753	(4,923)	108,737
Financial result						(916)
Income tax						(1,683)
Profit for the period						106,138
Non-controlling interests						(160)
Group share						106,298

9.1.2. Analysis of the income statement as at 30 June 2021

<i>(in thousands of €)</i>	Services/Belux	Services/Switzerland	Services/United Kingdom	Software	Non-allocated	Consolidated total
Revenue outside Group <i>(external clients)</i>	28,510	23,863	37,351	9,221	-	98,945
Total revenue	28,510	23,863	37,351	9,221	-	98,945
Earnings before interest, taxes, depreciation and amortisation, excluding non-recurring items (EBITDA)	2,566	3,088	5,465	2,032	-	13,151
Depreciation charges	(799)	(497)	(713)	(975)	(29)	(3,013)
Earnings before interest and taxes, excluding non-recurring items (EBIT)	1,767	2,591	4,752	1,057	(29)	10,138
Income from disposals of assets	-	7	(13)	-	1,714	1,708
Impairment losses on assets	-	(15)	-	-	-	(15)
Other non-recurring items	(123)	(342)	(514)	-	(299)	(1,278)
Operating profit (OP)	1,644	2,241	4,225	1,057	1,386	10,553
Financial result						697
Income tax						(1,556)
Profit for the period						9,694
Non-controlling interests						197
Group share						9,497

9.1.3. Analysis of assets and liabilities as at 30 June 2022

<i>(in thousands of €)</i>	Services/Belux	Services/Switzerland	Services/United Kingdom	Software	Non-allocated	Adjustments and eliminations	Consolidated total
Segment assets	53,931	80,204	75,885	526	-	-	210,546
Non-allocated assets	-	-	-	-	22,044	-	22,044
TOTAL ASSETS	53,931	80,204	75,885	526	22,044	-	232,590
Segment liabilities	30,005	27,678	56,463	53	-	93,648	207,847
Non-allocated liabilities	-	-	-	-	17,392	(93,648)	(76,256)
TOTAL LIABILITIES	30,005	27,678	56,463	53	17,392	-	131,591
<i>Investments in property, plant and equipment and intangible assets during the period</i>	<i>2,726</i>	<i>3,854</i>	<i>1,967</i>	<i>3,000</i>	<i>502</i>	<i>-</i>	<i>12,049</i>

9.1.4. Analysis of assets and liabilities as at 31 December 2021

<i>(in thousands of €)</i>	Services/Belux	Services/Switzerland	Services/United Kingdom	Software	Non-allocated	Adjustments and eliminations	Consolidated total
Segment assets	49,562	73,104	53,791	41,373	-	-	217,831
Non-allocated assets	-	-	-	-	7,845	-	7,845
TOTAL ASSETS	49,562	73,104	53,791	41,373	7,845	-	225,676
Segment liabilities	26,736	19,835	51,760	32,665	-	123,106	254,103
Non-allocated liabilities	-	-	-	-	351	(123,106)	(122,755)
TOTAL LIABILITIES	26,736	19,835	51,760	32,665	351	-	131,348
<i>Investments in property, plant and equipment and intangible assets during the period</i>	<i>3,975</i>	<i>1,304</i>	<i>252</i>	<i>7,042</i>	<i>1,649</i>	<i>-</i>	<i>14,222</i>

See Note 13.2 for the allocation of goodwill to cash-generating units.

All the assets are allocated to the segments, except assets which cannot be allocated to a CGU, which comprise mainly cash and cash equivalents held by the Company.

All the liabilities are allocated to the segments, except liabilities which cannot be allocated to a CGU, which comprise mainly loans taken out by the Company with credit institutions in the amount of €16,000,000 as at 30 June 2022 (Note 21).

NOTE 10. GROUP INFORMATION**10.1 Scope of consolidation**

Company	Main business	Method	% control		% interest	
			30 June 2022	31 December 2021	30 June 2022	31 December 2021
Luxembourg						
Sword Group S.E.	Parent company					
Sword Co-Investment Fund S.C.Sp	-	FC	100%	100%	100%	100%
Sword Technologies S.A.	IT Services	FC	100%	100%	100%	100%
Australia						
DataCo Australia Pty Ltd ⁽¹⁾	IT Services	FC	-	100%	-	100%
Sword GRC Pty Ltd ⁽²⁾	Software	FC	-	100%	-	97%
Belgium						
Sword Integra S.A.	IT Services	FC	100%	100%	100%	100%
Tipik Communication Agency S.A	IT Services	FC	100%	100%	100%	100%
Vadear S.A.	IT Services	FC	100%	100%	100%	100%
Canada						
Sword Corporation Inc.	IT Services	FC	100%	100%	45%	45%
Cyprus						
Sword Cyprus Ltd	IT Services	FC	100%	100%	100%	100%
Dubai						
Sword Middle East FZ LLC	IT Services	FC	100%	100%	100%	100%
United States						
Sword ITS LLC	IT Services	FC	100%	100%	100%	100%
Sword GRC Inc. ⁽²⁾	Software	FC	-	100%	-	97%
Sword Solutions Inc.	IT Services	FC	100%	100%	100%	100%
Spain						
Lemonade Software Development S.A.	IT Services	FC	50%	50%	50%	50%
France						
Le Connecteur S.à r.l.	-	FC	100%	100%	100%	100%
Sword Software France S.à r.l.	-	FC	100%	100%	100%	100%
Greece						
Sword Services Greece S.A	IT Services	FC	99%	99%	99%	99%
India						
Sword Global India Pvt Ltd	IT Services	FC	100%	100%	100%	100%
Lebanon						
Sword Lebanon SAL	IT Services	FC	98%	97%	98%	97%
Sword Middle East LLC	IT Services	FC	98%	98%	98%	98%
Netherlands						
DataCo Netherlands B.V.	IT Services	FC	100%	100%	100%	100%
New Zealand						
DataCo New Zealand Ltd ⁽³⁾	IT Services	FC	-	100%	-	100%

Company	Main business	Method	% control		% interest		
			30 June 2022	31 December 2021	30 June 2022	31 December 2021	
United Kingdom							
AAA Group Ltd	Holding company	FC	100%	100%	100%	100%	
AAA Ltd	IT Services	FC	100%	100%	100%	100%	
Codify Holding Ltd	IT Services	FC	100%	100%	100%	100%	
Codify Ltd	IT Services	FC	100%	100%	100%	100%	
Geores Ltd (previously DataCo Global Ltd)	IT Services	FC	100%	100%	100%	100%	
DataCo Ltd	IT Services	FC	100%	100%	100%	100%	
Infinity Ltd	IT Services	FC	100%	100%	100%	100%	
Magique Galileo Software Ltd ⁽²⁾	Software	FC	-	100%	-	97%	
Mint Tulip Ltd	IT Services	FC	100%	100%	100%	100%	
Ping Network Solutions Ltd ⁽⁴⁾	IT Services	FC	100%	-	100%	-	
Sword Achiever Ltd ⁽²⁾	Software	FC	-	100%	-	97%	
Sword Charteris Ltd	Holding company	FC	100%	100%	100%	100%	
Sword IT Solutions Ltd	IT Services	FC	100%	100%	100%	100%	
Sword GRC Group Ltd ⁽²⁾	Holding company	FC	-	97%	-	97%	
Sword GRC Ltd ⁽²⁾	Software	FC	-	100%	-	97%	
Sword Soft Ltd	Holding company	FC	100%	100%	100%	100%	
Sword Technologies Solutions Ltd	IT Services	FC	100%	100%	100%	100%	
Venture Information Management Ltd	IT Services	FC	100%	100%	100%	100%	
Switzerland							
Almaz Informatique S.A.	IT Services	FC	100%	100%	100%	100%	
AiM Services Holding S.A.	IT Services	FC	100%	100%	100%	100%	
AiM Services S.A.	IT Services	FC	100%	100%	100%	100%	
Nexavis S.A. ⁽⁵⁾	IT Services	FC	-	100%	-	100%	
CBA Sourcing S.A.	IT Services	FC	51%	51%	51%	51%	
Eurogenia S.A. ⁽⁶⁾	Holding company	FC	-	100%	-	100%	
Sword Engineering S.A.	IT Services	FC	100%	100%	100%	100%	
Sword Technologies S.A. ⁽⁷⁾	IT Services	FC	45%	45%	45%	45%	
Swissgenia S.A.	IT Services	FC	100%	100%	100%	100%	
Sword Services S.A.	IT Services	FC	100%	100%	100%	100%	
Sword Sports & Events S.A.	IT Services	FC	81%	81%	81%	81%	
Sword Suisse Holding S.A.	Holding company	FC	100%	100%	100%	100%	
Sword Venue S.à r.l.	Software	FC	100%	100%	81%	81%	

⁽¹⁾Wound up effective 31 March 2022.

⁽²⁾Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskconnect. The subsidiaries Sword GRC Group Ltd, Magique Galileo Software Ltd, Sword Achiever Ltd, GRC Pty Ltd, Sword GRC Ltd and Sword GRC Inc. are included in the scope of the disposal. See Note 12.

⁽³⁾Wound up effective 5 May 2022.

⁽⁴⁾On 21 March 2022, the Group acquired 100% of the share capital of Ping Network Solutions Limited. See Note 11.

⁽⁵⁾Wound up effective 1 June 2022.

⁽⁶⁾Effective 1 January 2022, merged with Sword Swiss Holding S.A.

⁽⁷⁾The Group signed a shareholders' agreement taking effect on 1 January 2014 that gave it control over Sword Technologies S.A.(Switzerland). Consequently, the company is fully consolidated.

10.2 Transactions with non-controlling interests (minority interests)

10.2.1. Impact of transactions with minority interests on equity – Group share for the period ended on 30 June 2022 and for the year ended on 31 December 2021

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Changes in reserves, in terms of the Group share, due to:		
- Acquisitions/repurchases of securities in:		
<i>Other</i>	(261)	(275)
- Acquisitions of stakes by Co-investors in:		
Sword Co-Investment Fund (Note 10.2.3)	723	837
- Commitments to repurchase securities held by Co-investors in:		
Sword Co-Investment Fund (Note 10.2.3)	(6,094)	(16,409)
- Changes in put options over minority interests relating to Sword GRC Group Ltd (Notes 10.2.2 and 10.3)	429	733
NET IMPACT ON EQUITY – GROUP SHARE	(5,203)	(15,114)

10.2.2. Sword GRC Group Ltd

An employee stock ownership plan for managers at Sword GRC Group Ltd had been implemented by Sword Soft Ltd, a Group subsidiary. Under the plan, minority shareholders could obtain financing from Sword Soft Ltd, allowing them to pay up the subscribed capital and reimburse Sword Soft Ltd within five years. This financing gave rise to receivables from the minority shareholders.

These receivables had an interest rate of 3%. The price of subscribed shares was calculated based on a multiple applied to EBIT. In addition, Sword Soft Ltd had undertaken to buy back the shares acquired by minority shareholders if they made such a request.

The repurchase price was calculated on a similar basis to that used for the subscription price. The estimated repurchase price as at 31 December 2021 corresponded to the fair value of the commitments listed in Note 10.3.

Under the provisions of the plan that expired on 31 December 2021, the Group, in January 2022, bought back 3% of the shares held by the minority shareholders for €1,658,000, resulting in the recognition of a loss of €102,000 in financial result.

These shares were bought back prior to the disposal of Sword GRC Group Ltd (see Note 12).

10.2.3. Sword Co-Investment Fund

The Group has established a special investment fund called the Sword Co-Investment Fund (hereinafter the "Fund") to bring together all the Group's employee stock ownership plans. During 2022, two new plans relating to Switzerland attracted subscriptions of €4,321,000 and €1,773,000, respectively.

The Fund is open only to managers in certain subsidiaries (the "Co-investors").

The goal of the Fund is to harmonise the rules that apply to plans spread across several jurisdictions and to use a centralised platform to increase the efficiency of the subscription process.

The Fund is managed by Sword Group S.E. in its capacity as general partner.

By subscribing for Fund shares, Co-investors are exposed to the financial performance of their subsidiaries. Therefore, whenever a plan is put in place for Co-investors from a subsidiary, a share of the subsidiary's securities, which are classified as underlying securities, are transferred to the Fund in exchange for the subscribed shares, at their fair value calculated on the basis of an EBIT multiple applied to the securities of the subsidiary involved.

The Group co-finances the investment up to a level of 85%, in the form of a loan either to the Fund or to the Co-investors. This loan is subject to an interest rate of 2%.

Under these plans, at the end of a period generally ranging from three to five years, the shares held by the Co-investors will be repurchased by the Fund at their fair value at the time of the repurchase, calculated on the basis of an EBIT multiple applied to the securities of the subsidiary involved. In some cases, put options are granted to Co-investors, allowing them to request the early repurchase of their securities.

The repurchase price of the shares will be paid to the Co-investors after deduction of the loan amounts, if applicable.

During the first half of 2022, a proportion of the shares held by the Co-investors were bought back for a total of €45,157,000, excluding the effect of the offsetting of amounts owed by the Co-investors to the Group of €14,689,000.

The total amount of the buyback referred to above includes €15,500,000 corresponding to the buyback of the shares held by the Fund issued to finance 15% of the capital held by the Fund in Sword GRC Group Ltd via the employee stock ownership plan covering the GRC activities and replacing the original plan (see Note 10.2.2). This buyback follows the disposal of Sword GRC Group Ltd (see Note 12) and the obligation on the Group to buy back the Fund's shares linked to the GRC plan in the event of the loss of control over a subsidiary. The buyback price of the shares was calculated by reference to the financial terms negotiated by the Group on the disposal of Sword GRC Group Ltd. The buyback resulted in the recognition of a reduction in the debt estimated at €19,047,000 as at 31 December 2021, with a corresponding charge included in "Changes in fair value for commitments to repurchase securities held by minority shareholders/Co-investors" under financial result. The fall in the debt's value can primarily be explained by the fact that a price was negotiated for the immediate sale of the GRC business, compared with an internal valuation established over a three-year horizon.

The amount invested in the plans via the Fund stood at €26,134,000 (31 December 2021: €40,627,000), of which €16,167,000 (31 December 2021: €30,045,000) had been paid up as at 30 June 2022.

In the event of a negative performance of the underlying subsidiary, the plan states that the Co-investors cover the deficit up to the amount either of the sums the Group has lent to them, or of the sums they have subscribed but not paid up.

The repurchase commitment gives rise to the recognition of a financial debt, with a corresponding cancellation of the related non-controlling interests. Financial debt is remeasured at its fair value as at each reporting date, with a corresponding charge to the financial result.

10.3 Commitments to repurchase non-controlling interests

Commitments to repurchase equity securities granted to non-controlling interests (minority interests) were as follows as at 30 June 2022:

<i>(in thousands of €)</i>	Share (%) held by minority shareholders	Minority interests included in the repurchase plan	Measurement method	Fair value of commitments (current debts)	Fair value of commitments (non-current debts)
Sword Co-Investment Fund ^(**)	-	-	EBITDA/revenue multiple	15,909 ^(*)	33,955 ^(*)

^(*)Excluding the effect of offsetting with the receivable worth €4,307,000 (current portion) and €6,783,000 (non-current portion) respectively.

^(**)It should be noted that the non-controlling interests were cancelled following the repurchase commitment. See Note 10.2.

Commitments to purchase equity securities granted to non-controlling interests (minority interests) were as follows as at 31 December 2021:

<i>(in thousands of €)</i>	Share (%) held by minority shareholders	Minority interests included in the repurchase plan	Measurement method	Fair value of commitments (current debts)	Fair value of commitments (non-current debts)
Sword GRC Group Ltd	3%	3%	EBIT multiple	1,556	-
Sword Co-Investment Fund ^(**)	-	-	EBITDA/revenue multiple	28,937	59,989

^(*)Excluding the impact of offsetting with the receivable worth €14,565,000 (current portion) and €11,214,000 (non-current portion) respectively.

^(**)It should be noted that the non-controlling interests were cancelled following the repurchase commitment. See Note 10.2.

For the method used to measure the fair value of commitments, see Note 6.2.

NOTE 11. BUSINESS COMBINATIONS AND ACQUISITIONS

11.1 Acquisitions in 2022

11.1.1. Description

Ping Network Solutions Ltd

On 21 March 2022, the Group signed an agreement to purchase 100% of Ping Network Solutions Ltd, a company incorporated in the UK, for GBP 10,206,000 (equivalent to €12,157,000), excluding additional payments. Ping Network Solutions Ltd is a service company specialising in the design, supply, integration and management of networking solutions for a global customer base, spanning sectors including energy, financial services, education, public sector, manufacturing and construction. Its acquisition will allow the Group to forge organisational synergies, deliver a broader range of services and expand its customer base.

11.1.2. Consideration transferred

<i>(in thousands of €)</i>	TOTAL
Consideration settled in cash	10,143
<i>Less:</i>	
Balance of cash and cash equivalents acquired	2,978
NET CASH OUTFLOW	7,165

The Ping Network Solutions Ltd purchase agreement provides for an additional payment based on the increase in EBITDA in 2023 and 2024 over the historic EBITDA levels used to calculate the base price. The fair value of this liability was €5,877 as at 30 June 2022. See also Note 6.2.

11.1.3. Assets acquired and liabilities recognised on the acquisition date

<i>(in thousands of €)</i>	TOTAL
Non-current assets	
Property, plant and equipment	523
Current assets	
Trade and other receivables	2,803
Work in progress	1,162
Other assets	1,352
Cash and cash equivalents	2,978
Prepaid expenses	2,333
Current liabilities	
Trade and other payables	(2,001)
Current tax liability	(58)
Other liabilities	(1,971)
Prepaid services	(4,566)
IDENTIFIABLE NET ASSETS ACQUIRED	2,555

11.1.4. Goodwill arising from the acquisition

<i>(in thousands of €)</i>	TOTAL
Consideration transferred	10,143
<i>Less:</i> fair value of identifiable net assets acquired	2,555
<i>Plus:</i> contingent consideration	5,877
<i>Plus:</i> deferred consideration	2,014
GOODWILL ARISING FROM THE ACQUISITION	15,697

In accordance with IFRS 3, the Group carried out a provisional valuation of the fair value of Ping Network Solutions Ltd's identifiable assets and liabilities, pending the completion of the due diligence work entrusted to a third party.

11.1.5. Impact of acquisitions on the Group's profit or loss

If the above business combination had been in place as at 1 January 2022, the revenue and profit or loss for the period of the acquired entity would have been as follows:

<i>(in thousands of €)</i>	TOTAL
Revenue	9,383
Profit or loss	808

For the period from its acquisition date until 30 June 2022, the company acquired through a business combination contributed to the Group's revenue and profit or loss in the following proportions:

<i>(in thousands of €)</i>	TOTAL
Revenue	6,711
Profit or loss	777

NOTE 12. DISPOSALS**12.1 Disposals in 2022*****Sword GRC Group Ltd***

Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskconnect for GBP 114,061,000 (equivalent to €136,565,000).

The transaction's scope covers governance, risk and compliance (GRC) software activities. The subsidiaries Sword GRC Group Ltd, Magique Galileo Software Ltd, Sword Achiever Ltd, Sword GRC Ltd, Sword GRC Pty and Sword GRC Inc. are included in the scope of the disposal.

12.1.1. Consideration received

<i>(in thousands of €)</i>	TOTAL
Consideration received in cash and cash equivalents	124,592
Deferred consideration receivable	11,973
TOTAL CONSIDERATION	136,565

12.1.2. Net cash inflow on disposal

<i>(in thousands of €)</i>	TOTAL
Consideration received in cash and cash equivalents	124,592
<i>Less:</i>	
Balance of cash and cash equivalents disposed of	7,082
NET CASH INFLOW	117,510

12.1.3. Analysis of assets and liabilities over which control was lost

<i>(in thousands of €)</i>	TOTAL
Non-current assets	
Goodwill	13,390
Intangible assets	14,395
Property, plant and equipment	259
Right-of-use assets	527
Financial assets	20,853
Current assets	
Trade and other receivables	4,607
Work in progress	301
Current tax assets	2
Other assets	57
Cash and cash equivalents	7,082
Prepaid expenses	1,042
<i>(in thousands of €)</i>	TOTAL
Non-current liabilities	
Lease obligations	(185)
Deferred tax liabilities	(89)
Current liabilities	
Lease obligations	(331)
Other provisions	(387)
Trade and other payables	(1,898)
Current tax liabilities	(661)
Other liabilities	(22,212)
Prepaid services	(6,785)
IDENTIFIABLE NET ASSETS DISPOSED OF	29,967

12.1.4. Profit generated on disposal

<i>(in thousands of €)</i>	TOTAL
Total consideration	136,565
Less: Net assets disposed of	29,967
PROFIT GENERATED ON DISPOSAL	106,598

12.1.5. Impact of the disposal on net profit (loss) for the period

<i>(in thousands of €)</i>	TOTAL
Revenue	6,590
EBITDA	3,140
EBIT	2,218
Operating profit	1,948
Financial result	(193)
Profit before tax	1,755
Income tax	(201)
Profit for the period derived from the GRC business	1,554

NOTE 13. GOODWILL**13.1 Changes in goodwill**

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
GROSS AMOUNT		
Balance as at opening of the period/year	91,503	77,053
Additional amounts recognised following business combinations arising during the period/year (Note 11)	15,697	10,678
Disposals/deconsolidations (Note 12)	(13,390)	-
Translation difference	753	3,772
Balance as at end of the period/year	94,563	91,503
ACCUMULATED IMPAIRMENT LOSSES		
Balance as at opening of the period/year	(25,000)	(25,000)
Balance as at end of the period/year	(25,000)	(25,000)
GOODWILL, NET CARRYING AMOUNT	69,563	66,503

13.2 Allocation of goodwill to cash-generating units (CGUs)

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Services/Belux	15,391	15,391
Services/Switzerland	19,161	17,742
Services/United Kingdom	35,011	20,061
Software	-	13,309
TOTAL	69,563	66,503

NOTE 14. OTHER INTANGIBLE ASSETS

<i>(in thousands of €)</i>	Software	Client contracts	Non-competes clause	Other intangible assets	TOTAL
GROSS AMOUNT					
As at 31 December 2020	13,735	6,478	1,113	8,950	30,276
Inflows of assets generated internally	7,626	-	-	-	7,626
Acquisitions	-	-	-	110	110
Acquisitions via business combinations	-	2,730	-	-	2,730
Translation difference	1,130	582	-	(48)	1,664
As at 31 December 2021	22,491	9,790	1,113	9,012	42,406
Inflows of assets generated internally	3,512	-	-	-	3,512
Acquisitions	-	-	-	720	720
Disposals	(1,196)	-	-	-	(1,196)
Deconsolidations	(21,934)	(3,175)	-	-	(25,109)
Translation difference	233	109	-	-	342
Other movements	-	(736)	-	736	-
As at 30 June 2022	3,106	5,988	1,113	10,468	20,675
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
As at 31 December 2020	(5,774)	(5,645)	-	(8,098)	(19,517)
Depreciation charges	(1,858)	(922)	-	(300)	(3,080)
Translation difference	(437)	(388)	-	48	(777)
As at 31 December 2021	(8,069)	(6,955)	-	(8,350)	(23,374)
Depreciation charges	(697)	(600)	-	(161)	(1,458)
Scope changes	7,539	3,175	-	-	10,714
Recognised impairment losses	(1,071)	-	-	-	(1,071)
Reversals of impairment losses	444	-	-	-	444
Translation difference	(106)	(15)	-	(1)	(122)
Other movements	-	736	-	(736)	-
As at 30 June 2022	(1,960)	(3,659)	-	(9,248)	(14,867)
NET AMOUNT					
Net amount as at 31 December 2021	14,422	2,835	1,113	662	19,032
Net amount as at 30 June 2022	1,146	2,329	1,113	1,220	5,808

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

<i>(in thousands of €)</i>	Land and buildings	Facilities, developments and fixtures	Transport equipment	Office and IT equipment	Office furniture	TOTAL
GROSS AMOUNT						
As at 31 December 2020	405	2,536	220	5,339	1,196	9,696
Acquisitions	-	1,119	6	1,026	397	2,548
Acquisitions via business combinations	-	-	12	-	-	12
Disposals	-	-	-	-	(14)	(14)
Deconsolidations	-	(18)	(12)	(43)	-	(73)
Translation difference	28	113	7	200	51	399
As at 31 December 2021	433	3,750	233	6,522	1,630	12,568
Acquisitions	-	595	14	639	64	1,312
Acquisitions via business combinations	-	-	-	677	477	1,154
Disposals	-	(7)	(17)	(19)	(40)	(83)
Deconsolidations	-	-	-	(752)	(386)	(1,138)
Translation difference	(9)	(19)	8	27	(2)	5
Other movements	(25)	-	-	-	-	(25)
As at 30 June 2022	399	4,319	238	7,094	1,743	13,793
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
As at 31 December 2020	(404)	(1,963)	(123)	(4,448)	(1,010)	(7,948)
Depreciation charges	(1)	(505)	(5)	(565)	(100)	(1,176)
Scope changes	-	19	-	43	15	77
Impairment losses	-	-	(30)	-	-	(30)
Translation difference	(28)	(87)	(6)	(155)	(44)	(320)
As at 31 December 2021	(433)	(2,536)	(164)	(5,125)	(1,139)	(9,397)
Depreciation charges	-	(129)	(6)	(380)	(77)	(592)
Scope changes	-	-	17	116	180	313
Recognised impairment losses	-	-	(16)	-	-	(16)
Translation difference	9	29	(6)	(10)	(2)	20
Other movements	25	-	-	-	-	25
As at 30 June 2022	(399)	(2,636)	(175)	(5,399)	(1,038)	(9,647)
NET AMOUNT						
As at 31 December 2021	-	1,214	69	1,397	491	3,171
As at 30 June 2022	-	1,683	63	1,695	705	4,146

As at 30 June 2022, no guarantees had been issued regarding property, plant and equipment (the same had been the case in 2021).

NOTE 16. LEASES**16.1 Right-of-use assets by category**

<i>(in thousands of €)</i>	Land and buildings	Transport equipment	TOTAL
GROSS AMOUNT			
As at 31 December 2020	17,781	1,195	18,976
New contracts	3,236	701	3,937
Disposals/exits from contracts	(1,542)	(309)	(1,851)
Translation difference	820	2	822
As at 31 December 2021	20,295	1,589	21,884
New contracts	5,917 ⁽¹⁾	588	6,505
Disposals/exits from contracts	(1,757)	(297)	(2,054)
Deconsolidations	(1,660)	-	(1,660)
Translation difference	40	-	40
As at 30 June 2022	22,835	1,880	24,715
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
As at 31 December 2020	(12,192)	(630)	(12,822)
Depreciation charges	(1,977)	(459)	(2,436)
Disposals/exits from contracts	1,538	309	1,847
Translation difference	(612)	(1)	(613)
As at 31 December 2021	(13,243)	(781)	(14,024)
Depreciation charges	(1,276)	(244)	(1,520)
Disposals/exits from contracts	2,753	296	3,049
Translation difference	82	-	82
As at 30 June 2022	(11,684)	(729)	(12,413)
NET AMOUNT			
As at 31 December 2021	7,052	808	7,860
As at 30 June 2022	11,151	1,151	12,302

⁽¹⁾mainly relating to new leases in Switzerland and the United Kingdom for a term of between 6 and 10 years.

16.2 Maturities of lease obligations

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Less than one year	2,923	2,784
Between one and two years	2,541	1,731
Between two and three years	2,224	1,472
Between three and five years	3,235	1,898
More than five years	2,119	1,119
TOTAL	13,042	9,004

16.3 Items recognised in profit or loss

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Charges for depreciation for right-of-use assets	(1,520)	(1,097)
Interest expenses on lease obligations	(90)	(70)
Lease expenses for short-term leases	(77)	(99)
Lease expenses for leases for low-value underlying assets	(40)	(15)
TOTAL	(1,727)	(1,281)

The Group's leases do not include variable payments, apart from adjustments for inflation.

Total cash outflows relating to leases were €2,011,000 in 2022 (30 June 2021: €1,506,000).

NOTE 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Balance as at the reporting date

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Shareholding in Coexya Group	3,100	3,011
TOTAL	3,100	3,011

Changes during the period/year

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Balance as at opening of the period/year	3,011	2,964
Disposals	-	(111)
Changes in fair value	89	158
BALANCE AS AT THE END OF THE PERIOD/YEAR	3,100	3,011

NOTE 18. TRADE AND OTHER RECEIVABLES

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Trade receivables	34,662	33,826
Allowances for doubtful accounts	(1,189)	(1,411)
TRADE RECEIVABLES, NET	33,473	32,415

Due to their short-term maturity, the carrying amount of trade and other receivables is close to the fair value.

Change in allowance for doubtful accounts

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Balance as at opening of the period/year	(1,411)	(1,724)
Impairment losses recognised during the period/year	(210)	(97)
Impairment losses subject to a reversal	288	1,029
Irrecoverable amounts derecognised during the period/financial year	(17)	-
Scope change	201	(529)
Translation difference	(40)	(90)
BALANCE AS AT THE END OF THE PERIOD/YEAR	(1,189)	(1,411)

NOTE 19. OTHER ASSETS

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Deposits and guarantees	748	731
Other non-current receivables	22	12
Total other non-current assets, gross amount	770	743
Provisions for other non-current assets	-	-
TOTAL OTHER NON-CURRENT ASSETS, NET AMOUNT	770	743
Tax and social security receivables	6,777	3,723
Consideration receivable on the capital increase in Sword GRC Group Ltd	-	683
Contingent consideration receivable on the disposal of Sword Sol	491	6,060
Deferred consideration receivable on the disposal of Sword GRC Group Ltd (Note 12)	11,973	-
Advance relating to the acquisition of Phusion IM Limited (Note 38) ⁽¹⁾	2,706	-
Other current receivables	570	294
Total other current assets, gross amount	22,517	10,760
Provisions for other current assets	-	-
TOTAL OTHER CURRENT ASSETS, NET AMOUNT	22,517	10,760

⁽¹⁾Corresponding to the base price plus a short-term loan granted to the target company.

The fair value of “other non-current assets” was determined on the basis of cash flows discounted at the Group's borrowing cost. The fair value of all financial assets making up this section was €643,000 (2021: €584,000) and was classified as Level 2 in the fair-value hierarchy. The net carrying amount of the financial assets included in “other current assets” is a reasonable approximation of their fair value due to their short-term maturity.

NOTE 20. OTHER PROVISIONS

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Balance as at start of period/year	1,086	150
Charges for provisions	56	630
Write-backs on used provisions	(75)	(25)
Deconsolidations	(387)	-
Translation differences	(11)	34
Other movements	41	297
BALANCE AS AT THE END OF PERIOD/YEAR	710	1,086
Current	480	749
Non-current	230	337

Provision charges/write-backs on provisions for litigation risks are included in “Other non-recurring items” in the consolidated income statement.

NOTE 21. OTHER FINANCIAL DEBTS**21.1 Breakdown of other financial debts by type**

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Bank loans	16,000	-
Non-current financial debts	16,000	-
Bank overdrafts	467	278
Current financial debts	467	278
TOTAL FINANCIAL DEBTS	16,467	278

21.2 Maturity schedule

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Less than one year	467	278
Between one and five years	16,000	-
More than five years	-	-
TOTAL	16,467	278

21.3 Available lines of credit

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Authorised amount	90,000	90,000
Less than one year	20,000	-
Between one and five years	70,000	90,000
More than five years	-	-
Amount drawn down	16,000	-
Less than one year	-	-
Between one and five years	16,000	-
More than five years	-	-
Available amount	74,000	90,000
Less than one year	20,000	-
Between one and five years	54,000	90,000
More than five years	-	-

If borrowings are needed, the Group's banking arrangements require compliance with financial ratios: a “net consolidated financial debt/consolidated EBITDA” ratio of less than 3 or 3.5 depending on the contracts, and a “net consolidated financial debt/consolidated equity” ratio of less than 1.

21.4 Change in financial debt

The change in financial debts (including lease obligations) during the period 2022 and 2021 is included in cash flows from financing activities (see the consolidated statement of cash flows).

NOTE 22. TRADE AND OTHER PAYABLES

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Suppliers	5,442	8,957
Accrued invoices	14,748	14,301
Other	1,172	1,705
TOTAL	21,362	24,963

NOTE 23. OTHER LIABILITIES

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Deposits and guarantees	-	-
Commitments to repurchase securities held by minority shareholders/Co-investors (see Note 10) ^(*)	27,172	48,775
Deferred consideration on the acquisition of Ping Network Solutions Ltd (Note 11)	80	-
Contingent consideration on the acquisition of Ping Network Solutions Ltd (Note 11)	5,877	-
Other	68	107
TOTAL OTHER NON-CURRENT LIABILITIES	33,197	48,882
Value-added tax and other taxes	8,274	7,175
Social security and other social bodies	6,154	5,425
Commitments to repurchase securities held by minority shareholders/Co-investors (see Note 10)	11,602	15,929
Deferred consideration on the acquisition of Ping Network Solutions Ltd (Note 11)	1,934	-
Contingent consideration on the acquisition of:		
- Almaz Informatique S.A.	-	290
- AiM Holding SA	602	387
- Codify	-	1,136
Other	404	452
TOTAL OTHER CURRENT LIABILITIES	28,970	30,794

^(*)Under netting arrangements, the amounts to be reimbursed to Sword Group SE come to €11,090,000 (31 December 2021: €25,779,000) and have been presented as a deduction from financial debts related to commitments to repurchase securities valued at €49,864,000 (31 December 2021: €88,927,000). See Note 10.2.3.

NOTE 24. TAXES**24.1 Breakdown of tax expense**

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Tax on profit recognised in the profit for the period		
Current tax	1,689	(1,633)
Deferred tax	(6)	77
TOTAL	1,683	(1,556)

NOTE 25. STAFF EXPENSES

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Gross remuneration	(51,102)	(39,461)
Social security contributions	(7,600)	(5,691)
Other	(581)	(350)
TOTAL	(59,283)	(45,502)

The Group's average headcount is:

Average headcount	30 June 2022	30 June 2021
Billable headcount	1,248	1,115
Non-billable headcount	198	172
TOTAL	1,446	1,287

As at 30 June 2022 and 30 June 2021, the Group had no stock-option plans in place.

NOTE 26. OTHER EXTERNAL CHARGES

As at 30 June 2022, other external charges principally comprised sub-contracting costs of €38,063,000 (30 June 2021: €30,412,000).

NOTE 27. PROVISION CHARGES AND REVERSALS

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Provision charges for retirement benefits	(14)	(4)
Write-backs on pension provisions	10	-
Charges for other provisions	(56)	(30)
Reversals on other provisions	75	25
Allowances for doubtful accounts	(210)	(44)
Reversals on allowances for doubtful accounts	288	671
TOTAL	93	618

NOTE 28. INCOME FROM DISPOSALS OF ASSETS AND SUBSIDIARIES

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Disposal costs	(2,925)	(124)
Income from the disposal of consolidated securities (Notes 6.2 and 12)	102,444	1,831
Income from the disposal of property, plant and equipment	(14)	1
Income from the disposal of intangible assets	(377)	-
TOTAL	99,128	1,708

NOTE 29. IMPAIRMENT LOSS ON ASSETS

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Impairment loss on intangible assets ⁽¹⁾	(1,087)	(15)
TOTAL	(1,087)	(15)

⁽¹⁾Related to product obsolescence in Switzerland.

NOTE 30. OTHER NON-RECURRING ITEMS

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Litigation costs ⁽¹⁾	(210)	(69)
Restructuring costs	(370)	(564)
Acquisition costs	(634)	(338)
Other expenses ⁽²⁾	(1,730)	(354)
Other income	4	47
TOTAL	(2,940)	(1,278)

⁽¹⁾The litigation is mainly commercial and employment-related.

⁽²⁾As at 30 June 2022, other charges principally comprised €879,000 in severance costs and €400,000 for a call for funds for Sport ASBL.

NOTE 31. FINANCIAL RESULT

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Interest expense on loans and financial debt	(120)	(116)
Interest expenses on lease obligations	(90)	(70)
NET FINANCIAL DEBT COST	(210)	(186)
Foreign-exchange gain	786	1,436
Foreign-exchange loss	(1,072)	(657)
Changes in fair value for commitments to repurchase securities held by minority shareholders/Co-investors	(102)	44
Other financial income	135	293
Other financial expenses	(453)	(233)
NET FINANCIAL RESULT	(916)	697

NOTE 32. EARNINGS PER SHARE

<i>(in thousands of € and units of account)</i>	30 June 2022	30 June 2021
Profit for the period, attributable to shareholders	106,298	9,497
Weighted average number of ordinary shares in circulation	9,535,849	9,539,332
Impact of dilutive instruments	-	-
Diluted weighted average number of shares	9,535,849	9,539,332
Earnings per share		
Basic net earnings per share	11.15	1.00
Diluted net earnings per share	11.15	1.00

NOTE 33. SHARE CAPITAL

As at 30 June 2022, the share capital stood at €9,545,000 (unchanged from 31 December 2021), represented by 9,544,965 shares (also unchanged from 31 December 2021) with a par value of €1 each, fully paid up.

NOTE 34. TREASURY SHARES

During the 2022 period, 49,859 treasury shares (30 June 2021: 51,112 treasury shares) were acquired for a total of €2,098,000 (30 June 2021: €1,882,000) and 39,843 treasury shares (30 June 2021: 59,296 treasury shares) were sold, bringing in a total of €1,769,000 (30 June 2021: €2,189,000).

As at 30 June 2022, there were 12,870 treasury shares (2021: 4,417 treasury shares).

NOTE 35. DIVIDENDS30 June 2022

At its meeting held on 8 March 2022, the Board of Directors resolved to allocate to the shareholders a dividend of €10.00 per share, giving rise to a payout of €95,414,000.

30 June 2021

At its meeting held on 3 March 2021, the Board of Directors resolved to allocate to the shareholders a dividend of €4.80 per share, giving rise to a payout of €45,809,000.

NOTE 36. RELATED-PARTY TRANSACTIONS**36.1 Remuneration for members of the Board of Directors and management**

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Short-term benefits:		
- Gross (excluding benefits in kind)	(582)	(439)
- Employer contributions	(81)	(54)
- Benefits in kind	(38)	(218)
Directors' fees	(15)	(76)
Other fees	(226)	(787)
TOTAL	(942)	(1,574)

Such remuneration pertained to 13 members of the Board of Directors and management (2021: 13).

36.2 Other

Financière Sémaphore, which holds a 17.9% interest in the Group, provides the following services:

<i>(in thousands of €)</i>	30 June 2022	30 June 2021
Management fees	(175)	(175)
TOTAL	(175)	(175)

During the first six months of 2022, a company controlled by a Company director supplied Group companies with accounting and administrative services totalling €680,000 (30 June 2021: €165,000).

The Group granted loans of €6,187,000 (31 December 2021: €16,042,000) to members of the Group's management to finance the acquisition of minority interests held by these members in certain subsidiaries. These loans are reimbursed at a rate of 2% per annum and will mature between 2023 and 2025. See Notes 10.2 and 10.3.

As at 30 June 2022, Ruitor S.à r.l., a company controlled by Financière Sémaphore, provided the Group with offices in Luxembourg at a cost of €81,000 (the same amount as in 2021).

NOTE 37. OFF-BALANCE-SHEET COMMITMENTS

<i>(in thousands of €)</i>	30 June 2022	31 December 2021
Sureties for third parties	36	36
Less than one year		-
Between one and five years	36	36
More than five years	-	-
Other guarantees issued⁽¹⁾	511	511
Less than one year	11	11
Between one and five years	500	500
More than five years	-	-
TOTAL	547	547

⁽¹⁾Including performance guarantees.

NOTE 38. CONTINGENT LIABILITIES

As at 30 June 2022, there was no significant risk of contingent liabilities.

NOTE 39. SUBSEQUENT EVENTS

On 1 July 2022, the Group signed an agreement to purchase 100% of Phusion IM Limited, a company incorporated in the UK, for GBP 1,800,000 (equivalent to €2,097,000), excluding additional payments. Phusion IM Limited is a company that specialises in information management software solutions for the oil and gas and engineering sectors. This acquisition will allow the Group to make cost savings and to enhance its offering and target a broader client base.

The Phusion IM purchase agreement provides for an additional payment corresponding to a multiple of EBITDA calculated over a 12-month period beginning on 1 July 2022, less the base price.

The cash flows generated by the acquisition are as follows:

<i>(in thousands of €)</i>	Phusion IM Limited
Consideration settled in cash	2,097
Less: Balance of cash and cash equivalents acquired	(107)
NET CASH OUTFLOW	1,990

As the acquisition occurred close to the date of approval of the consolidated interim financial statements and there was not enough time to complete the work on initial recognition, it was not possible to present the other disclosures required for a business combination.

No other significant events have occurred since the reporting date for the condensed interim consolidated financial statements.

4. STATEMENT BY THE PERSON IN CHARGE OF THE INTERIM FINANCIAL REPORT

“I confirm that, to the best of my knowledge, the condensed interim consolidated financial statements for the period ended on 30 June 2022 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of all the companies included in the consolidation of the Sword group, and that the interim activity report includes a fair review of any significant events that occurred in the first six months of the financial year and their impact on the interim financial statements, the principal risks and uncertainties for the remaining six months of the financial year and the principal transactions between related parties”.

Windhof, 25 July 2022

Jacques Mottard
Executive Chairman