



Half-year financial report

June 30, 2022

ID LOGISTICS GROUP

A French corporation (*société anonyme*) with capital stock of €2,843,079.50

Head office: 55 chemin des Engranauds – 13660 Orgon

TARASCON TRADE AND COMPANIES REGISTER NO. 439 418 922

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1 PERSON RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

Mr. Eric Hémar, Chairman and CEO of ID Logistics Group.

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE DOCUMENT

I hereby certify that, to the best of my knowledge, the summary consolidated financial statements for the six months ended June 30, 2022 were prepared in accordance with applicable accounting standards and give a fair view of the Company's assets and liabilities, financial position and earnings, as well as those of all of its consolidated companies. I also certify that the attached half-year business report presents a fair statement of key events that occurred during the first six months of the year, the impact thereof on the financial statements and the main related party transactions, as well as a description of the main risks and uncertainties to be faced during the remaining six months of the year.

Orgon, September 7, 2022

Eric Hémar
Chairman and CEO

2 HALF-YEAR BUSINESS REPORT

The reader is invited to read the following information concerning the Group's financial position and earnings in conjunction with the summary consolidated financial statements for the six months ended June 30, 2022 as set out in Chapter 3 "Summary financial statements" of the half-year financial report.

Given that the figures stated in euro millions in the tables and analyses in this chapter have been rounded, the totals shown do not necessarily equal the sum of the individual rounded figures. Similarly, the sum of the percentages that are based on the rounded figures does not necessarily equal 100%.

In addition to the financial indicators directly presented in the consolidated financial statements, the Group uses a number of alternative performance indicators:

- Like-for-like change in revenues: this reflects the Group's organic growth, excluding the impact of:
 - o changes in consolidation scope: the contribution to revenues of companies acquired during the period and companies sold during the previous period is excluded;
 - o changes in the applicable accounting principles;
 - o changes in exchange rates, by calculating revenues for the various periods on the basis of identical exchange rates: published data for the previous period is converted using the exchange rate for the current period.
- Underlying EBITDA: underlying operating income (EBIT) before net depreciation, amortization and impairment of PP&E and intangible assets
- Net borrowings: gross borrowings plus bank overdrafts less cash and cash equivalents
- Net debt: net borrowings plus lease liabilities recognized in application of IFRS 16 "Leases"

2.1 First half highlights

- In January 2022, ID Logistics completed the acquisition of a 100% equity stake in French-based Colisweb. Founded in 2013, Colisweb offers a unique multi-channel software solution providing an optimized interface between distributor, carrier and end consumer. Through this solution, Colisweb organizes last-mile delivery by appointment on D or D+1, in 2-hour time slots, for shipments of up to 1,800 kg with the possibility of assembly, commissioning or collection of packaging and used equipment. Colisweb posted 2021 revenues of €30 million.
- On March 31, 2022, ID Logistics acquired effective control of the entire Kane Logistics business in the United States. Kane Logistics is a contract logistics pure player and value-added warehousing services provider founded in the United States in 1930 by the Kane family. Harkness Capital Partners acquired the company in 2019 with the goal of accelerating business growth. Over the last three years, Kane Logistics has undergone a significant transformation to become a leading contract logistics provider working with reputed manufacturers in the consumer goods, food, beverage and specialist retail sectors. By adding value-added services to traditional logistics services and strengthening its teams, Kane Logistics has grown its revenues by 20% annually since 2019 to reach USD 235 million in 2021. Kane Logistics operates 20 platforms nationwide (mainly located in Pennsylvania, Georgia, Ohio, Illinois and California) with a total area of 725,000 square meters.
- In connection with these acquisitions, ID Logistics refinanced its existing syndicated loan (€132.5 million as of December 31, 2021) via a new loan for a total amount of €400.0 million and a €65 million revolving credit facility, which was not used during the period. This refinancing operation resulted in a net inflow of €267.5 million before fees and accrued interest.
- In Q2 2022, ID Logistics also set up a subsidiary in Italy to support the development of one key account, an international e-commerce operator. The new 63,000 sqm logistics platform located at Casei Gerola between Genoa and Milan will manage orders for delivery throughout Northern Italy.
- Lastly, readers are reminded that the Group has no business operations in Ukraine and that its subsidiary in Russia accounted for 1% of the Group's H1 2022 revenues. In Russia, ID Logistics provides domestic logistics services to Russian customers and some international customers operating in the food and beverage sectors, without managing any import or export shipments. Since the start of the crisis, ID Logistics has committed to complying with international sanctions and has decided to cease all efforts to develop new customers in Russia. The Group continues to support existing customers amid a challenging environment. The Russian subsidiary operates on a standalone basis and cash generated locally is used to pay employee salaries and suppliers.

2.2 Consolidated income statement

€m	H1 2022	H1 2021
Revenues	1,180.6	893.1
Purchases and external charges	(601.5)	(440.3)
Staff costs	(406.2)	(326.6)
Miscellaneous taxes	(11.5)	(9.0)
Other underlying income (expenses)	0.5	0.3
Net (increases) write-backs to provisions	3.3	0.4
Underlying EBITDA	165.2	117.9
Net depreciation/impairment	(122.9)	(90.2)
EBIT before amortization of acquired customer relations	42.3	27.7
Amortization of acquired customer relations	(1.7)	(0.6)
Non-recurring expenses	(2.2)	-
Net financial items	(10.6)	(5.8)
Corporate income tax	(8.3)	(6.8)
Share of earnings of equity affiliates	0.7	0.3
Total consolidated net income	20.2	14.8
Minority interests	1.9	1.9
Group share	18.3	12.9

ID Logistics posted H1 2022 revenues of €1,180.6 million, up 32.2%. This figure includes the contributions from the recent acquisitions of GVT (Benelux), Colisweb (France) and Kane Logistics (United States) and favorable currency movements during the period. Restated for these effects, first half like-for-like revenue growth was steady at 15.3%. Eight new warehouses have been launched so far this year (three in France and five in other countries), in line with the 2022 roadmap.

In accordance with the definition of alternative performance indicators set out above, the reconciliation between reported and like-for-like revenue data is as follows:

€m	H1 2021	Impact of change in consolidation	Impact of change in exchange rates	Impact of application of IAS 29	Like-for-like change	H1 2022
Revenues	893.1	+15.4%	+1.5%	+0.0%	+15.3%	1,180.6

Revenues break down as follows:

€m	H1 2022	H1 2021
France	422.9	376.7
International	757.7	516.4
Total revenues	1,180.6	893.1

- In France, ID Logistics posted H1 2022 revenues of €422.9 million, up 12.3%. Restated for the change in consolidation scope resulting from the consolidation of Colisweb acquired in January 2022, revenue growth was 6.1% versus H1 2021, a strong period with revenue growth of 9.5%.
- International revenues for the first half were up 46.7% to €757.7 million, including revenues generated by Benelux-based GVT acquired in December 2021 and US-based Kane Logistics acquired on March 31, 2022. Restated for these consolidation changes and favorable currency movements during the period, like-for-like revenue growth remained steady at 21.9%.

First half 2022 purchases and external charges amounted to €601.5 million, up from €440.3 million in first half 2021 and up from 49.3% to 51.0% as a percentage of revenues. This is due to (i) the impact of acquired companies, whose services billed to customers involve more subcontracting and more consumables than the Group's core business, and (ii) increases in the costs of some supplies billed to customers.

First half 2022 staff costs amounted to €406.2 million, up from €326.6 million in H1 2021. As a percentage of revenues, staff costs fell from 36.6% in H1 2021 to 34.4% in H1 2022. Besides the aforementioned impact of acquisitions on the cost mix, this reduction in the staff cost ratio was also driven by increased productivity and tight control of costs for new contracts.

Miscellaneous taxes were stable at 1.0% of revenues, as in 2021.

As in first half 2021, other income and expenses netted out close to zero for the first half of 2022.

Net provision write-backs mainly correspond to expenses recognized under purchases and external charges or staff costs.

Following the above items, underlying EBITDA amounted to €165.2 million in first half 2022, up from €117.9 million in first half 2021. Driven by strong growth across the existing consolidation scope and, to a lesser extent, the positive impact of recent acquisitions, the EBITDA margin rose 80 bps from 13.2% in H1 2021 to 14.0%.

Net depreciation/impairment came to €122.9 million in H1 2022 compared to €90.2 million in H1 2021. As a percentage of revenues, this item rose from 10.1% in H1 2021 to 10.4% due to the increase in operating capital expenditure over the last few years.

The table below shows the impact of these changes on EBIT margins before amortization of customer relations:

€m	H1 2022	H1 2021
France	16.9	13.5
<i>EBIT margin (% revenues)</i>	<i>4.0%</i>	<i>3.6%</i>
International	25.4	14.2
<i>EBIT margin (% revenues)</i>	<i>3.4%</i>	<i>2.7%</i>
Total	42.3	27.7
<i>EBIT margin (% revenues)</i>	<i>3.6%</i>	<i>3.1%</i>

First half 2022 EBIT before amortization of customer relations amounted to €42.3 million, generating an EBIT margin of 3.6%, up 50 bps compared to first half 2021:

- In France, EBIT continues to grow, reaching €16.9 million in H1 2022. The EBIT margin rose 40 bps, driven by increased productivity under contracts launched in 2021, better absorption of structural costs thanks to the increasing weight of international business, and the positive impact of the consolidation of Colisweb.
- International EBIT rose sharply from €14.2 million in H1 2021 to €25.4 million. The EBIT margin rose 70 bps to 3.4%, driven by the positive contribution of recent acquisitions (GVT over six months and Kane Logistics since April 1, 2022) and the strong increase in productivity for new contracts launched in 2021.

As a reminder, ID Logistics' business is seasonal and the first half tends to be less profitable than the second.

Amortization of acquired customer relations increased to €1.7 million from €0.6 million in H1 2021 due to the new customer relations acquired with GVT and Kane Logistics.

There were no non-recurring expenses in H1 2021. H1 2022 non-recurring expenses comprised costs and fees related to the GVT, Colisweb and Kane Logistics acquisitions.

The Group posted net financial expenses of €10.6 million for first half 2022, up from €5.8 million in first half 2021, consisting of:

- net cost of debt amounting to €4.4 million, up from €2.1 million in H1 2021 mainly due to the new €400 million loan taken out towards the end of Q1 2022 to finance the GVT, Colisweb and Kane Logistics acquisitions and refinance existing senior debt in respect of an outstanding principal amount of €125.0 million. The other items comprising net cost of debt also increased in line with the upswing in ordinary operations and financing arrangements for the associated operating capital expenditure;
- other net financial items comprising a net expense of €6.2 million, up from €3.7 million in H1 2021. These mainly included expenses related to IFRS 16 lease liabilities and exchange gains and losses. The increase over H1 2021 is mainly due to the increase in lease liabilities in line with the upswing in business and the associated lease commitments.

Corporate income tax includes the French CVAE tax on business value added, which amounted to €1.8 million in H1 2022, close to the H1 2021 charge of €1.9 million. Excluding CVAE, the first half 2022 corporate income tax charge amounted to €6.4 million based on a Group effective tax rate of 25%, comparable to that charged in H1 2021.

As in H1 2021, Group share of earnings of equity affiliates was just above break-even in H1 2022.

Following the above items, first half 2022 consolidated net income amounted to €20.2 million, up from €14.8 million in the first half of 2021.

2.3 Consolidated cash flow statement

€m	H1 2022	H1 2021
Net income	20.2	14.8
Net depreciation, impairment and provisions	121.3	90.4
Change in working capital	(18.1)	1.9
Other changes related to operating activities	10.9	5.9
Net cash flow from (used by) operating activities	134.3	113.0

Net cash flow from investing activities	(271.0)	(41.0)
Net financial expenses on financing activities	(4.4)	(2.1)
Net borrowings taken out (repaid)	256.9	1.0
Payment of IFRS 16 lease liabilities	(105.6)	(75.0)
Other changes in financing transactions	(1.8)	(0.7)
Net cash flow from financing activities	145.1	(76.8)
Exchange gains (losses)	1.0	0.4
Change in net cash and cash equivalents	9.4	(4.4)
Opening net cash and cash equivalents	157.0	144.0
Closing net cash and cash equivalents	166.4	139.6

Net cash flow from operating activities

First half 2022 net cash flow from operating activities amounted to a €134.3 million inflow, up from €113.0 million in H1 2021.

- Before change in working capital, first half 2022 operating cash flow amounted to €152.4 million versus €111.1 million in first half 2021, in line with the increase in earnings.
- Change in working capital amounted to a €18.1 million outflow for the first six months of 2022, compared to a minimal change in H1 2021: working capital in days' sales outstanding (DSO) deteriorated by two days, mainly due to shorter supplier payment terms over the period and higher tax prepayments than in H1 2021.

Net cash flow from investing activities

First half 2022 net cash flow used by investing activities amounted to a €271.0 million outflow, compared to a €41.0 million outflow in H1 2021. This breaks down as follows:

- A total payment of €247.7 million net of cash acquired for the acquisitions of French-based Colisweb (€18.8 million) and US-based Kane Logistics (€226.7 million), plus the associated fees (€2.2 million);
- Net operating capital expenditure mainly related to new contracts and totaling €23.3 million in H1 2022, down from €41.0 million in H1 2021, a period impacted by recovery following the end of the COVID-19 crisis.

Net cash flow from financing activities

Total first half 2022 net cash flow from financing activities represented a €145.1 million inflow compared to a €76.8 million outflow in first half 2021.

- The net change in borrowings represented a €256.9 million increase in cash and cash equivalents in H1 2022 compared to a €1.0 million increase over the same period in 2021:
 - o In Q1 2022, ID Logistics refinanced its existing syndicated loan via a new €200 million loan repayable over 5 years, a €200 million bridging loan repayable at maturity in March 2024 (with optional extension to March 2025), and a €65 million revolving credit facility with a maximum term of 7 years, undrawn during the period. The funds received allowed the Group to repay early the balance on the existing syndicated loan and associated revolving credit facility, representing a total of €132.5 million as of December 31, 2021. This refinancing operation resulted in a net inflow of €267.5 million before fees and accrued interest;
 - o Other changes in net borrowings comprised net repayments totaling €10.6 million in H1 2022 compared to net new borrowings of €0.1 million in H1 2021;
- Payments of IFRS 16 lease liabilities (rental payments) amounted to €105.6 million in first half 2022 compared to €75.0 million in first half 2021, in line with the upswing in business;
- Other changes related to financing transactions include treasury stock transactions under the Group's liquidity contract and share buybacks intended to cover bonus share plans.

After accounting for all of these factors and exchange gains and losses, Group net cash increased by €9.4 million to €166.4 million during the first half of 2022, compared to a €4.4 million decrease in H1 2021.

2.4 Consolidated balance sheet

€m	6/30/2022	12/31/2021
Goodwill	476.0	227.6
Right-of-use assets (IFRS 16)	668.0	595.2
Other non-current assets	287.9	234.6
Non-current assets	1,431.9	1,057.4
Trade receivables	454.1	393.2
Trade payables	(319.7)	(313.6)
Tax and social security payables	(245.0)	(192.6)
Other net receivables (payables) and provisions	14.7	33.2
Working capital	(95.9)	(79.8)
Net borrowings	354.5	105.0
Lease liabilities (IFRS 16)	678.1	605.3
Net debt	1,032.6	710.3
Shareholders' equity, Group share	287.3	254.0
Minority interests	16.1	13.3
Shareholders' equity	303.4	267.3

Non-current assets rose €374.5 million compared to December 31, 2021:

- goodwill increased by €248.4 million due to the first half 2022 Colisweb and Kane Logistics acquisitions and the reclassification of part of provisional GVT goodwill to other non-current assets (€10.6 million);
- right-of-use assets (lease commitments capitalized in application of IFRS 16) increased by €72.8 million, including €45.0 million due to the consolidation of Kane Logistics and the remaining amount in line with business growth;
- other non-current assets increased by €53.3 million, including €36.5 million due to the consolidation of Colisweb and Kane Logistics, €10.6 million due to the reclassification following the aforementioned revision of provisional GVT goodwill, and the balance of €11.5 million mainly comprising capital expenditure incurred on new contracts net of depreciation and amortization charges for the period.

The Group posted negative net working capital of €95.9 million as of June 30, 2022, up €16.1 million compared to December 31, 2021 mainly due to the consolidation of Colisweb and Kane Logistics, which contributed €38.9 million in negative working capital.

Group net borrowings break down as follows:

€m	6/30/2022	12/31/2021
Syndicated loan	400.0	132.5
Other bank loans	107.7	116.3
Other borrowings	13.2	13.2
Gross borrowings	520.9	262.0
Net cash and cash equivalents	166.4	157.0
Net borrowings	354.5	105.0

As stated above, net borrowings have increased since December 31, 2021 mainly due to the new €400.0 million syndicated loan taken out to finance H1 2022 acquisitions and refinance the existing syndicated loan.

The new syndicated loan is subject to the following covenant: as of June 30, 2022, net borrowings over underlying EBITDA must be less than 3.5, before application of IFRS 16 and on a consolidated basis. With a ratio of 2.4 at June 30, 2022, this covenant was in compliance.

Shareholders' equity amounted to €303.4 million, an increase over 12/31/2021.

2.5 Recent developments and outlook

- Seasonal factors
Although Group revenues are not subject to major seasonal fluctuations, second half revenues tend to be slightly higher than first half revenues in view of the Group's customer typology and growth profile, and excluding the impact of major discontinued operations.

However, first half revenues tend to be more volatile in terms of volumes with larger swings between business peaks and lows than in the second half. This volatility is reflected in lower operational productivity, and first half EBIT is generally lower than in the second half.

- Impact of new contract start-ups
Seasonal variations may be impacted by new contracts, which tend to generate losses in the first year of operation.

2.6 Main risks and uncertainties

The Group's main risks as specified under Chapter 2 of the Universal Registration Document filed with the *Autorité des Marchés Financiers* (French financial markets authority) on April 22, 2022 had not materially changed at June 30, 2022.

More specifically, regarding developments in the crisis involving Russia and Ukraine and as stated above, ID Logistics continues to support existing customers in Russia amid a challenging environment. The Russian subsidiary operates on a standalone basis and cash generated locally is used to pay employee salaries and suppliers. If the situation deteriorates and the Group is obliged to discontinue operations in Russia, the cost is currently estimated at €5-10 million.

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3 SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€000	Notes	H1 2022	H1 2021
Revenues		1,180,561	893,130
Purchases and external charges		(601,525)	(440,337)
Staff costs		(406,202)	(326,578)
Miscellaneous taxes		(11,482)	(9,046)
Other underlying income (expenses)		525	315
Net (increases) write-backs to provisions		3,352	411
Net depreciation/impairment		(122,911)	(90,180)
EBIT before amortization of customer relations		42,318	27,715
Amortization of acquired customer relations		(1,738)	(644)
Non-recurring income (expenses)	Note 10	(2,213)	-
Operating income		38,367	27,071
Financial income	Note 11	778	366
Financial expenses	Note 11	(11,351)	(6,202)
Group earnings before tax		27,794	21,235
Corporate income tax	Note 12	(8,251)	(6,783)
Share of earnings of equity affiliates		703	323
Total consolidated net income		20,246	14,775
Minority interests		1,955	1,942
Group share		18,291	12,833
Earnings per share, Group share			
Basic EPS (€)	Note 13	3.22	2.27
Diluted EPS (€)	Note 13	3.03	2.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€000	H1 2022	H1 2021
Total consolidated net income	20,246	14,775
Post-tax pension provision discounting income (charge)	532	194
Other comprehensive income not reclassified to the income statement	532	194
Post-tax exchange differences	15,188	633
Other post-tax items	1,920	1,853
Other comprehensive income that may be reclassified to the income statement, net of tax	17,108	2,486
Comprehensive net income	37,886	17,455
Minority interests	2,786	2,027
Group share	35,100	15,428

CONSOLIDATED BALANCE SHEET

€000	Notes	6/30/2022	12/31/2021
Goodwill	Note 1	476,030	227,617
Intangible assets	Note 1	55,161	22,224
Property, plant and equipment	Note 2	196,713	181,087
Right-of-use assets - IFRS 16	Note 9	667,951	595,241
Investments in equity affiliates		2,674	1,972
Other non-current financial assets		16,436	16,004
Deferred tax assets		16,971	13,273
Non-current assets		1,431,936	1,057,418
Inventories		1,349	437
Trade receivables	Note 3	454,127	393,236
Other receivables	Note 3	67,712	57,835
Other current financial assets		33,595	32,451
Cash and cash equivalents	Note 4	167,200	157,767
Current assets		723,983	641,726
Total assets		2,155,919	1,699,144
Capital stock	Note 5	2,843	2,837
Additional paid-in capital	Note 5	57,241	57,241
Exchange differences		99	(14,330)
Consolidated reserves		208,826	175,102
Net income for the year		18,291	33,132
Shareholders' equity, Group share		287,300	253,982
Minority interests		16,066	13,281
Shareholders' equity		303,366	267,263
Borrowings (due in over 1 yr)	Note 6	443,559	141,453
Lease liabilities (due in over 1 yr) - IFRS 16	Note 9	489,972	444,619
Long-term provisions	Note 7	19,748	19,945
Deferred tax liabilities		3,002	2,112
Non-current liabilities		956,281	608,129
Short-term provisions	Note 7	25,189	12,918
Borrowings (due in less than 1 yr)	Note 6	77,396	120,561
Lease liabilities (due in less than 1 yr) - IFRS 16	Note 9	188,159	160,639
Bank overdrafts	Note 4	784	804
Trade payables	Note 8	319,660	313,595
Other payables	Note 8	285,084	215,235
Current liabilities		896,272	823,752
Total liabilities and shareholders' equity		2,155,919	1,699,144

CONSOLIDATED STATEMENT OF CASH FLOWS

€000	Note	H1 2022	H1 2021
Net income		20,246	14,775
Net depreciation, impairment and provisions		121,296	90,412
Share of undistributed earnings of equity affiliates		(703)	(323)
Capital gains or losses on the sale of fixed assets		(467)	870
Change in working capital		(18,104)	1,935
Acquisition costs		2,213	-
Net financial expenses on financing activities	Note 11	9,806	5,307
Net cash flow from operating activities		134,287	112,976
Purchase of intangible assets and PP&E	Notes 1-2	(30,388)	(42,169)
Purchase of subsidiaries net of cash acquired		(245,466)	-
Acquisition costs		(2,213)	-
Sale of intangible assets and PP&E		7,079	1,195
Net cash flow from investing activities		(270,988)	(40,974)
Net financial expenses on financing activities	Note 11	(4,397)	(2,131)
Loans received		292,634	22,839
Loan repayments		(35,713)	(21,854)
Payment of IFRS 16 lease liabilities		(105,637)	(75,023)
Treasury stock transactions		(1,783)	(415)
Minority interest dividends		-	(221)
Net cash flow from financing activities		145,104	(76,805)
Exchange gains (losses)		1,050	420
Change in net cash and cash equivalents		9,453	(4,383)
Opening net cash and cash equivalents	Note 4	156,963	143,966
Closing net cash and cash equivalents	Note 4	166,416	139,583

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€000	Capital stock	Additional paid-in capital	Consolidation reserves	Exchange differences	Shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
January 1, 2021	2,825	57,241	170,926	(14,381)	216,611	12,543	229,154
H1 2021 net income	-	-	12,833	-	12,833	1,942	14,775
Gains and losses posted to shareholders' equity	-	-	1,540	601	2,141	61	2,202
Treasury shares	-	-	(414)	-	(414)	(221)	(635)
Share issue	12	-	(12)	-	-	-	-
June 30, 2021	2,837	57,241	184,873	(13,780)	231,171	14,325	245,496
Application of IFRS IC	-	-	1,329	-	1,329	70	1,399
Net income for the year	-	-	20,299	-	20,299	671	20,970
Exchange differences	-	-	-	(550)	(550)	(29)	(579)
Other items of comprehensive income	-	-	1,554	-	1,554	9	1,563
Distribution of dividends	-	-	-	-	-	(1,765)	(1,765)
Treasury shares	-	-	179	-	179	-	179
Share issue	-	-	-	-	-	-	-
December 31, 2021	2,837	57,241	208,234	(14,330)	253,982	13,281	267,263
Net income for the year	-	-	18,291	-	18,291	1,955	20,246
Exchange differences	-	-	-	14,429	14,429	759	15,188
Other items of comprehensive income	-	-	2,381	-	2,381	71	2,452
Distribution of dividends	-	-	-	-	-	-	-
Treasury shares	-	-	(1,783)	-	(1,783)	-	(1,783)
Share issue	6	-	(6)	-	-	-	-
June 30, 2022	2,843	57,241	227,117	99	287,300	16,066	303,366

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

ID Logistics Group SA is a *société anonyme* (French corporation) subject to French law with head office located at 55 chemin des Engranauds, Orgon (13660), France. ID Logistics Group SA and its subsidiaries (hereinafter the "Group") operate a logistics business in France and around ten other countries.

The Group consolidated financial statements for the six months ended June 30, 2022 were approved by the Board of Directors on August 31, 2022. Unless otherwise indicated, they are presented in thousands of euros.

There were no major seasonal fluctuations in revenues during the six months ended June 30, 2022.

2 BASIS FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Interim financial statements

Pursuant to European Regulation 1606-2002, the ID Logistics Group condensed consolidated interim financial statements for the six months ended June 30, 2022 were prepared in accordance with IAS 34 – Interim financial reporting. Since these financial statements are condensed, they do not contain all disclosures required under IFRS and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021 available online at id-logistics.com.

The accounting principles adopted for the preparation of the condensed consolidated interim financial statements comply with the IFRS standards and interpretations adopted by the European Union as of June 30, 2022, which may be viewed on the website: https://ec.europa.eu/info/index_en

These accounting principles are consistent with those used for the preparation of the annual consolidated financial statements for the year ended December 31, 2021, which are presented in Note 2 to the 2021 consolidated financial statements, except for the items presented in paragraph 2.2 below – Change in accounting principles.

The valuation methods specific to the condensed consolidated interim financial statements are as follows:

- The interim period tax charge results from the estimated annual Group effective rate applied to pre-tax interim earnings excluding material non-recurring items. This estimated annual effective rate takes into consideration, in particular, the expected impact of tax planning transactions. The tax charge relating to any non-recurring items of the period is accrued using its specific applicable taxation;
- Stock-based compensation and staff benefit costs are recorded for the period in proportion to their estimated annual costs.

Management has assessed the impact of COVID-19 based on facts, circumstances and information reasonably available on the date of this report, and by taking into account the main assumptions, estimates and assessments as described in Note 2.4 to the 2021 consolidated financial statements.

2.2 Change in accounting principles

2.2.1 New compulsory standards, amendments and interpretations adopted by the European Union for fiscal 2022

The application of standards, amendments and interpretations applicable from January 1, 2022 had no material impact on the Group financial statements.

The Group is currently completing the work required in order to apply the IFRIC decision on SaaS arrangements. Application of this decision is not expected to have a material impact on the financial statements.

2.2.2 New standards, amendments and interpretations not compulsory for fiscal 2022

There are no new standards, amendments or interpretations published but not yet compulsory that could have a material impact on the Group financial statements.

3 HIGHLIGHTS

- On January 28, 2022, the Group completed the acquisition of a 100% equity stake in French-based Colisweb. Founded in 2013, Colisweb offers a unique multi-channel software solution providing an optimized interface between distributor, carrier and end consumer. Through this solution, Colisweb organizes last-mile delivery by appointment on D or D+1, in 2-hour time slots, for shipments of up to 1,800 kg with the possibility of assembly, commissioning or collection of packaging and used equipment. Colisweb posted 2021 revenues of €30,374,000. The acquisition price paid amounted to €22,022,000. Earnout payments totaling up to €14 million may be paid in 2023 and 2024 depending on the achievement of the business development objectives set for Colisweb.

The following table shows the details of the provisional purchase price allocation for this acquisition:

Right-of-use assets (IFRS 16)	134
Non-current assets (fixed assets)	934
Working capital	3,209
Provisions	(6)
Operating cash and cash equivalents	3,245
Borrowings	(6,511)
Lease liabilities - IFRS 16	(134)
Total revalued net assets	871
Investment purchase price paid	22,022
Conditional earnout payment to be paid later	14,000
Goodwill	35,151

The investment purchase price shown in the statement of cash flows is €18,777,000, which corresponds to the €22,022,000 price actually paid to date less acquired cash and cash equivalents totaling €3,245,000. Ancillary costs for the Colisweb acquisition are recorded under non-recurring expenses.

- On March 31, 2022 the Group acquired effective control of the entire business of US-based Harkness Capital (parent company of the Kane Logistics group). The Kane Logistics business has been consolidated in the ID Logistics Group financial statements as from this date. Kane Logistics is a contract logistics pure player and value-added warehousing services provider founded in the United States in 1930 by the Kane family. Harkness Capital Partners acquired the company in 2019 with the goal of accelerating business growth. Over the last three years, Kane Logistics has undergone a significant transformation to become a leading contract logistics provider working with reputed manufacturers in the consumer goods, food, beverage and specialist retail sectors. By adding value-added services to traditional logistics services and strengthening its teams, Kane Logistics has grown its revenues by 20% annually since 2019 to reach USD 235 million in 2021. Kane Logistics now operates 20 platforms nationwide (mainly located in Pennsylvania, Georgia, Ohio, Illinois and California) with a total area of 725,000 square meters. The acquisition price paid in cash amounted to €230,649,000.

The following table shows the details of the provisional purchase price allocation for this acquisition:

Right-of-use assets (IFRS 16)	44,853
Customer relations amortized over 10 years	23,023
Non-current assets (fixed assets)	12,586
Working capital	(7,447)
Provisions	(13,571)
Operating cash and cash equivalents	1,728
Deferred tax	5,251
Borrowings	(32)
Lease liabilities - IFRS 16	(44,853)
Total revalued net assets	21,538
Investment purchase price	228,417
Goodwill	206,879

The amounts presented in the table below are taken from the Kane Logistics financial statements as of the date control was acquired. Ancillary costs for the Kane Logistics acquisition are recorded under non-recurring expenses.

The investment purchase price shown in the statement of cash flows is €226,689,000, which corresponds to the €228,417,000 price actually paid, plus assumed borrowings totaling €32,000, less acquired cash and cash equivalents totaling €1,728,000.

- In Q2 2022, the Group set up a subsidiary in Italy to support the development of one key account, an international e-commerce operator. The new logistics platform is located at Casei Gerola between Genoa and Milan.
- Lastly, readers are reminded that the Group has no business operations in Ukraine and that its subsidiary in Russia accounted for 1% of the Group's H1 2022 revenues. In Russia, ID Logistics provides domestic logistics services to Russian customers and some international customers operating in the food and beverage sectors, without managing any import or export shipments. Since the start of the crisis, ID Logistics has committed to complying with international sanctions and has decided to cease all efforts to develop new customers in Russia. The Group continues to support existing customers amid a challenging environment. The Russian subsidiary operates on a standalone basis

and cash generated locally is used to pay employee salaries and suppliers. If the situation deteriorates and the Group is obliged to discontinue its operations in Russia, the cost is currently estimated at €5-10 million.

4 SEGMENT INFORMATION

Pursuant to IFRS 8 – Operating segments, the information below for each operating segment is identical to that presented to the chief operational decision-maker for purposes of deciding on the allocation of resources to the segment and assessing its performance.

An operating segment is a distinct component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are reviewed regularly by the entity's chief operational decision-maker in order to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

The Group's chief operational decision-maker has been identified as the Chairman and CEO and the Deputy CEO, who jointly take strategic decisions.

The Group's two operating segments are France and International, determined in accordance with IFRS 8.

The France segment is made up of subsidiaries with head offices in continental France.

The International segment is made up of subsidiaries whose head offices are located outside continental France.

Fixed assets are operating assets used by a segment for operational purposes. They include goodwill, intangible assets and property, plant and equipment. They do not include current assets used for operational purposes, deferred tax assets/liabilities or non-current financial assets.

Segment information, as presented to the chief decision-makers relating to continuing operations, is as follows:

	H1 2022 (6/30/2022)			H1 2021 (6/30/2021)		
	France	International	Total	France	International	Total
Revenues	422,902	757,659	1,180,561	376,681	516,449	893,130
EBIT before amortization of customer relations	16,866	25,452	42,318	13,537	14,178	27,715
Operating income	16,616	21,751	38,367	13,268	13,803	27,071
Net cash flow from operating activities	37,910	96,377	134,287	45,432	67,544	112,976
Capital expenditure	5,738	24,650	30,388	11,805	30,364	42,169
Fixed assets	364,045	1,031,810	1,395,855	274,149	483,347	757,496
Headcount	7,448	17,899	25,347	6,912	16,603	23,515

5 NOTES RELATING TO THE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AND CHANGES THERETO

5.1 Balance sheet notes

Note 1: Goodwill and intangible assets

	Goodwill	Software	Customer relations & other	TOTAL
Gross				
January 1, 2022	228,073	47,396	7,931	283,400
Acquisitions	-	939	650	1,589
Disposals	-	(351)	(8)	(359)
Change in consolidation	242,030	901	23,023	265,954
Reclassification	(7,951)	-	10,601	2,650
Exchange gains (losses)	14,334	476	1,419	16,229
June 30, 2022	476,486	49,361	43,616	569,463
Cumulative amortization and impairment				
January 1, 2022	456	34,557	(1,454)	33,559

Amortization charge	-	2,958	1,842	4,800
Impairment	-	-	-	-
Disposals	-	(316)	-	(316)
Reclassification	-	(17)	17	-
Exchange gains (losses)	-	328	(99)	229
June 30, 2022	456	37,510	306	38,272
Net				
June 30, 2022	476,030	11,851	43,310	531,191

The net book value of goodwill, customer relations, other intangible assets and investments in equity affiliates is reviewed at least once a year and when events or circumstances indicate that a loss in value may have taken place. Such events or circumstances are related to material adverse changes of a permanent nature that impact either the economic environment or the assumptions or objectives adopted as of the date of acquisition. An impairment charge is recorded when the recoverable value of the assets tested falls permanently below their net book value.

As of June 30, 2022, the Group reviewed the impairment indicators that could lead to a reduction in the net book value of goodwill and investments in equity affiliates. Based on this approach, there is no need to record impairment charges as of June 30, 2022.

The Group has updated the accounting recognition of goodwill on the acquisition of Dutch-based GVT Transport & Logistics Beheer BV (parent company of GVT Group) in December 2021. The amounts recognized, still provisional at this stage, are as follows:

Right-of-use assets (IFRS 16)	66,143
Customer relations amortized over 10 years	10,601
Non-current assets (fixed assets)	6,362
Working capital	8,158
Operating cash and cash equivalents	3,180
Deferred tax	(4,588)
Lease liabilities - IFRS 16	(66,143)
Total revalued net assets	23,713
Investment purchase price	69,787
Goodwill	46,074

Note 2: Property, plant and equipment

	Land and buildings	Plant and equipment	Other fixed assets	Fixed assets in progress	TOTAL
Gross					
January 1, 2022	31,519	127,498	162,679	16,639	338,335
Acquisitions	2,294	7,104	7,997	11,404	28,799
Disposals	(44)	(8,330)	(5,130)	(31)	(13,535)
Exchange gains (losses)	1,270	2,091	1,124	231	4,716
Change in consolidation	2,148	5,062	2,036	3,373	12,619
Reclassification	-	1,287	-	(1,287)	-
June 30, 2022	37,187	134,712	168,706	30,329	370,934
Cumulative depreciation and impairment					
January 1, 2022	17,869	60,807	78,663	(91)	157,248
Depreciation charge	2,167	11,392	7,736	-	21,295
Impairment	-	-	-	-	-
Disposals	(19)	(3,125)	(3,822)	-	(6,966)
Exchange gains (losses)	719	1,684	241	-	2,644
Reclassification	-	(91)	-	91	-
June 30, 2022	20,736	70,667	82,818	-	174,221

Net

June 30, 2022	16,451	64,045	85,888	30,329	196,713
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Note 3: Trade and other current receivables

	6/30/2022	12/31/2021
Trade receivables	458,079	397,867
Impairment provisions	(3,952)	(4,631)
Total trade receivables – net	454,127	393,236
Tax and social security receivables	31,414	37,909
Prepaid expenses	36,298	19,926
Total other receivables - net	67,712	57,835

Note 4: Net cash and cash equivalents

	6/30/2022	12/31/2021
Cash and cash equivalents	167,200	157,767
Bank overdrafts	(784)	(804)
Net cash and cash equivalents	166,416	156,963

Group cash and cash equivalents of €166,416,000 at June 30, 2022 comprise cash, sight bank deposits and €6,103,000 in money-market investments.

Note 5: Issued capital stock and additional paid-in capital

	Additional paid-in capital (€)	Value (€)	Number of shares
January 1, 2022	57,240,985	2,836,894	5,673,788
Bonus shares awarded	-	6,186	12,373
June 30, 2022	57,240,985	2,843,080	5,686,161

Note 6: Financial liabilities

	6/30/2022	Due in < 1 year	Due in 1 to 5 years	Due in > 5 years
Current borrowings				
Bank loans	64,158	64,158		
Factoring	13,154	13,154		
Other borrowings	84	84		
Total current borrowings	77,396	77,396		
Non-current borrowings				
Bank loans	443,559		441,105	2,454
Total non-current borrowings	443,559		441,105	2,454
Total borrowings	520,955	77,396	441,105	2,454

On February 16, 2022, the Group signed financing arrangements totaling €465 million, including a €200 million loan repayable over 5 years, a €200 million bridging loan with a maximum term of 2 years to be refinanced by instruments such as private placements, and a €65 million revolving credit facility with a maximum term of 7 years, unused during the period.

This loan is subject to the following bank covenant at June 30, 2022:

Ratio	Definition	Calculation	Limit
Leverage	Net borrowings/underlying EBITDA before application of IFRS 16	2.4	< 3.5

This ratio was in compliance at June 30, 2022.

Note 7: Provisions

	Social security and tax risks	Operating risks	Employee benefits	Total
January 1, 2022	7,340	5,578	19,945	32,863
Charges	828	2,360	1,055	4,243
Write-backs used	(1,609)	(3,661)	(243)	(5,513)
Write-backs not used	(55)	(114)	-	(169)
Other (consolidation, currency, reclassification etc.)	83	14,439	(1,009)	13,513
June 30, 2022	6,587	18,602	19,748	44,937
Of which current provisions	6,587	18,602	-	25,189
Of which non-current provisions	-	-	19,748	19,748

The provisions for operating risks primarily relate to disputes with customers, lessors, etc.

Note 8: Trade and other payables

	6/30/2022	12/31/2021
Trade payables	319,660	313,595
Tax and social security payables	244,954	192,588
Advances and down payments received	2,398	1,303
Other current payables	24,018	9,663
Deferred income	13,714	11,681
Total other payables	285,084	215,235

Trade and other payables all fall due in less than one year except for some deferred income which is amortized over the term of the customer contracts.

Other payables include the conditional earnout payment payable to the sellers of Colisweb, amounting to €14 million.

Note 9: Right-of-use assets and lease liabilities

The change and breakdown of right-of-use assets over the period is as follows:

	Buildings	Plant and equipment	Other fixed assets	TOTAL
Gross:				
January 1, 2022	717,408	13,225	164,608	895,241
Acquisitions	101,795	13,027	23,296	138,118
Disposals	(23,573)	(6,560)	(2,818)	(32,951)
Change in consolidation	44,987	-	-	44,987
Exchange gains (losses) and reclassification	6,214	712	(596)	6,330
June 30, 2022	846,831	20,404	184,490	1,051,725
Cumulative depreciation and impairment:				
January 1, 2022	238,092	4,516	57,392	300,000
Depreciation charge	73,446	14,832	10,276	98,554
Disposals	(9,611)	(6,225)	(634)	(16,470)
Exchange gains (losses) and reclassification	1,547	185	(42)	1,690
June 30, 2022	303,474	13,308	66,992	383,774
Net:				
June 30, 2022	543,357	7,096	117,498	667,951

Changes in lease liabilities are as follows:

	1/1/2022	New borrowings	Repayments	Scope	Exchange differences	6/30/2022
Lease liabilities	605,258	138,118	(114,916)	44,988	4,683	678,131
Total	605,258	138,118	(114,916)	44,988	4,683	678,131
o/w lease liabilities (due in < 1 yr)						188,159
o/w lease liabilities (due in 1-5 yrs)						424,913
o/w lease liabilities (due in > 5 yrs)						65,059

6.2 Income statement notes

Note 10: Non-recurring income (expenses)

Non-recurring income and expenses are broken down as follows:

	H1 2022	H1 2021
Costs on acquisitions of equity investments	(2,213)	-
Total non-recurring expenses	(2,213)	-

Note 11: Net financial items

	H1 2022	H1 2021
Interest and related financial income	777	392
Interest and related financial expenses	(5,174)	(2,523)
Net financial expenses on financing activities	(4,397)	(2,131)
Discounting of balance sheet accounts	(464)	(269)
Other financial expenses	(5,712)	(3,436)
Net other financial expenses	(6,176)	(3,705)
Total	(10,573)	(5,836)

Interest and related financial expenses are related to borrowings (mainly bank borrowings and overdraft facilities). Other financial expenses are mainly related to lease liabilities.

Note 12: Corporate income tax

	H1 2022	H1 2021
Net tax (charge)/income	(6,418)	(4,868)
Tax on business value added (CVAE)	(1,833)	(1,915)
Total	(8,251)	(6,783)

Note 13: Earnings per share

The average number of shares during the period was as follows:

(no.)	H1 2022	H1 2021
Average number of shares in issue	5,677,966	5,653,883
Average number of treasury shares	(4,217)	(5,210)
Average number of shares	5,673,749	5,648,673
Equity warrants and bonus shares	357,142	360,946
Average number of diluted shares	6,030,891	6,009,619

6.3 Other information

Note 14: Transactions with related parties

Transactions conducted between the Group and affiliated companies on an arm's length basis were as follows:

Company	Type of relationship	Transaction type	Income (expense)		Balance sheet asset (liability)	
			2022	2021	2022	2021

Comète	Joint director	Services provided	(418)	(390)	(583)	(779)
Financière ID	Joint shareholder	Real estate leases - Services provided	2,489	240	241	240
SAS Logistics II	Joint shareholder	Services provided	(49)	(23)	(57)	(23)

Transactions with equity affiliates, which are concluded on an arm's length basis, related to ongoing administrative services and in total are not material in relation to the Group's business.

Note 15: Directors' remuneration

The Chairman of the Board of Directors does not receive any remuneration from the Group. He receives remuneration from Comète, in which he holds a 100% equity stake together with his family, and which has signed services agreements with various Group subsidiaries. The services specified in these agreements include management related to strategy and business development.

The amounts of the aforementioned services are specified under Note 14.

Gross remuneration awarded to other Board members:

	H1 2022	H1 2021
Expense type		
Total gross remuneration *	398	339
Post-employment benefits	-	-
Other long-term benefits	-	-
Severance pay	-	-

Note 16: Off-balance sheet commitments and contingencies

The Group's signed off-balance sheet commitments at the balance sheet date were as follows:

	6/30/2022	12/31/2021
Commitments given		
Parent company guarantees *	18,033	18,033
Borrowings subject to covenants	400,000	132,500
Commitments received		
Bank guarantees	23,270	23,571

* The parent company guarantees above do not include guarantees given for leasing commitments or for debt with covenants, which are described on the corresponding lines.

Note 17: Post balance sheet events

None

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4 STATUTORY AUDITORS' REPORT

"To the Shareholders,

Pursuant to our engagement by the shareholders' general meeting and Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the condensed consolidated interim financial statements of ID LOGISTICS GROUP covering the period from January 1 to June 30, 2022, as enclosed hereto, and
- verified the information given in the half-year business report.

The condensed consolidated interim financial statements have been prepared under the responsibility of your Board of Directors. Our responsibility is to express our opinion on these financial statements on the basis of our limited review.

I – Opinion on the financial statements

We have conducted our limited review in accordance with professional standards applicable in France. A limited review consists primarily of making inquiries of the members of the management responsible for accounting and financial matters and applying analytical procedures. The work is of limited scope compared to the work required for an audit performed in accordance with auditing standards applicable in France. Accordingly, the assurance under a limited review that the financial statements, taken as a whole, are free from material misstatement, is moderate and less than that obtained under a full audit scope.

On the basis of our limited review, we did not identify any material misstatements that cause us to believe that the condensed consolidated interim financial statements have not been prepared in accordance with IAS 34 – Interim financial reporting, as included in the IFRS standards adopted by the European Union.

II – Specific testing

We have also verified the information provided in the half-year business report commenting on the condensed consolidated interim financial statements on which we performed our limited review.

We have no comments on the report's fairness and its consistency with the condensed consolidated interim financial statements.

Lyon and Paris-La Défense, September 7, 2022

The Statutory Auditors

Grant Thornton
French member of
Grant Thornton International
Françoise Mechin
Partner

Deloitte & Associés
Stéphane Rimbeuf
Partner"