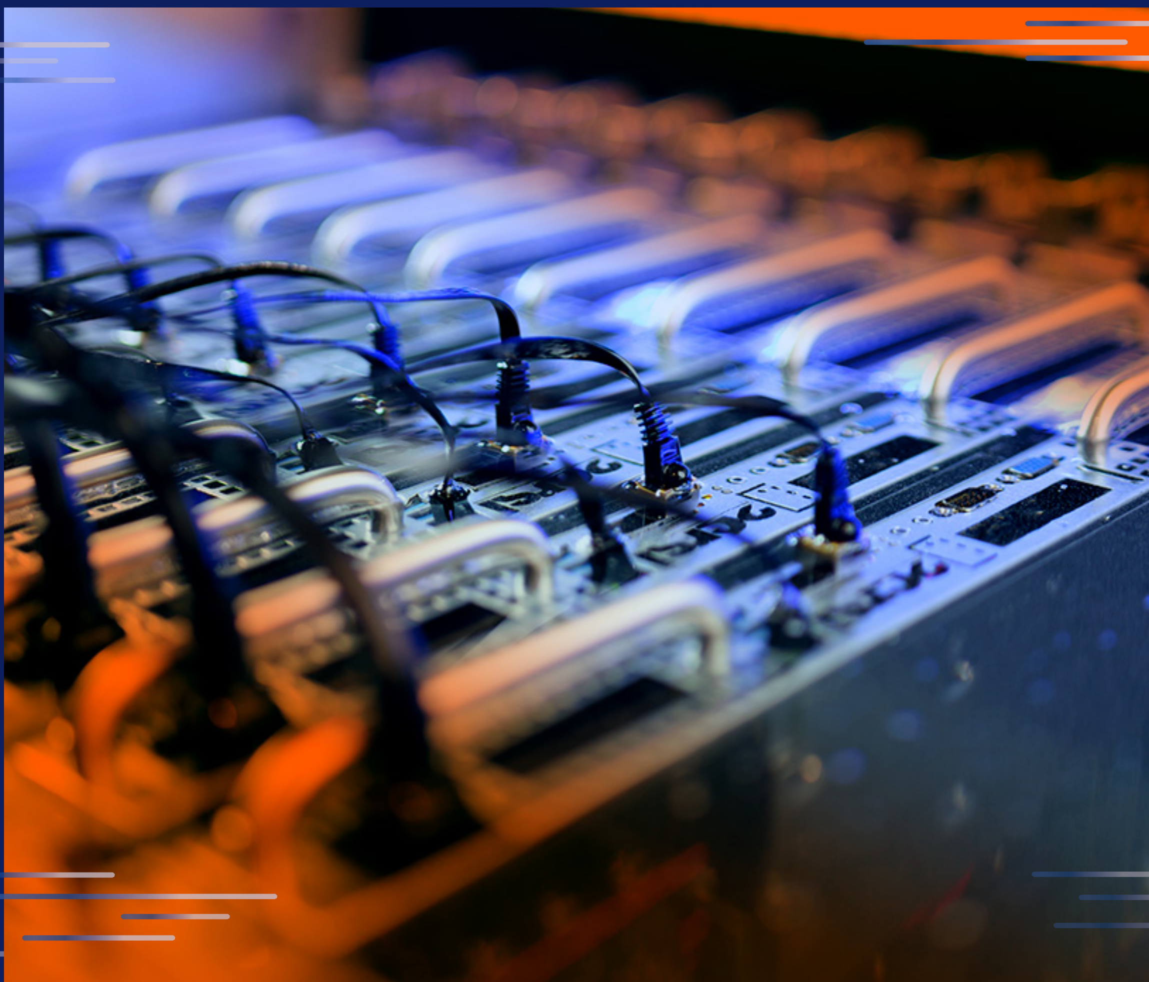
HALF-YEARLY FINANCIAL REPORT

AS OF 31 AUGUST 2021



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1 PRESENTATION OF THE GROUP

1.1. GENERAL PRESENTATION OF THE GROUP

Created in Strasbourg in 2005 by Alain and Michel Wilmouth, 2CRSi has become an international benchmark group in the design, production and marketing of ultra high performance, tailor-made and environmentally friendly computer servers. Since 2019, Alain Wilmouth has managed the company with Marie de Lauzon, Deputy Chief Executive Officer, former independent director of the Group.

Together, they have a unique vision: to offer high performance, energy efficient, server solutions that are designed and manufactured locally.

2CRSi is an acronym for Conseil, Conception, Recherche et Services Informatiques (Consulting, Design, Research and IT Services) which constitute the 4 pillars of our know-how and our innovations.

In the age of the cloud, big data, blockchain and artificial intelligence, our computer servers support the biggest players in the economic world (CGG, OVH, CERN, LinkOffice, Free, Caltech, etc.) to provide them with the computing power essential to their growth.

We make the difference with our technological solutions that combine power with energy economy. The latter characteristic is at the heart of our DNA: we designed all of our solutions with the aim of providing specific responses to our customers' financial and ecological challenges.

Our latest generation of immersion servers therefore reduces electrical consumption by 40 to 60% compared to equivalent traditional systems. This strong commitment to "Green IT" is a major competitive advantage for our customers, whose energy consumption may represent up to about 40% of their server use costs.

In early 2018 we extended our activities with the acquisition of Tranquil PC (rugged edge computing products) and the creation in early 2019 of Green Data (hosting and rental of computing power under the Green Computing brand).
We reached a new milestone at the end of 2019 with the acquisition of Boston Limited. This international group of British origin is a world reference in the integration and marketing of IT equipment using the most advanced technologies on the market. Beyond the considerable expansion of our international positions thanks to Boston Limited, we benefit from strong commercial synergies and significant economies of scale.

During the 2020/2021 financial year, the Group achieved a turnover of 163.3 million euros.

At the end of August, it had 389 employees and its range of innovative solutions (computing, storage and network) was distributed in more than 45 countries around the world.

Six strong brands:

2CRSi: designer and manufacturer of high performance servers based on R&D expertise and an OCP approach (Open Compute Project, a community that promotes sharing of hardware knowledge).
The solutions offered are particularly appreciated for their capacity to reduce customers' OPEX costs by up to 25% and their CAPEX costs by 40%. Our technical know-how is concentrated in France, in Strasbourg.
Production can be carried out locally at one of the Group's sites.

Tranquil "All terrain IT": brand of rugged servers and energy-efficient on-board computers. The entire design and production chain is internal (R&D, manufacturing, tests), as a guarantee of quality.
The products are top of the line and the team has the ability to develop bespoke and OEM products.

Green Computing: rental and hosting of ecological computing power, offer of bare metal and HPC as a Service. The company owns and manages two main data centres in France: one in Nanterre and the other in Sophia Antipolis.

Boston Limited: value-added distributor offering a wide range of server / storage / workstation solutions.
Boston Limited offers full product customisation as well as all-in-one solutions by bringing together the different technologies. Boston Limited has been a premium partner of Supermicro® for over 20 years.

BIOS IT: consulting and integration with particular expertise in sectors requiring high performance computing (HPC) such as finance, artificial intelligence, deep learning, research centres and cloud services.

Escape Technology: reseller of IT solutions dedicated to the graphic design, cinema and special effects sector.

The synergy of these six brands meets the needs of the most specific and demanding customers and users, including data centres, independent software vendors, distributors and any business in need of reliable, high-quality, high performance and energy efficient IT solutions.

The Group's success is based on in-depth experience in research and development, with know-how combining mechatronics, electronics, thermodynamics and software engineering. These internal skills allow us to develop our own products and technologies.

Our ecosystem of key international technology partners such as Intel®, AMD, Western Digital® and Supermicro®, allied with experts like Submer, GRC, Graphcore, Vcinity, Kalray and NVIDIA®, allows us to provide cutting-edge or even tailor-made solutions to our customers around the world.

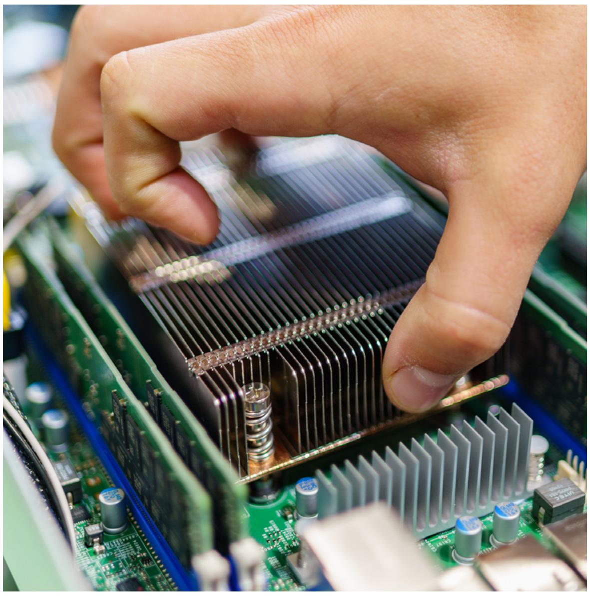
Today, we are reducing energy consumption. Tomorrow, we will recycle the heat by reusing it. The day after tomorrow, we want to generate electricity, thus using heat as an alternative source of energy for other uses.

1.2. 2CRSi

UNIQUE TECHNOLOGICAL KNOW-HOW ALLOWING THE CREATION OF INNOVATIVE AND EFFICIENT SOLUTIONS

Our value proposition is to offer high performance products and services at lower operating costs to ensure a faster return on investment for all of our customers.

Our innovations are based on our R&D culture (integrated department made up of 30 people in Strasbourg) and our agnostic approach.
We work with all manufacturers of processors (Intel®, ARM®,etc.), professional graphics cards (Nvidia®, AMD, etc.), boards (ASUS®, Gigabyte®, Supermicro®, etc.) and storage products (Western Digital®, Seagate®, Toshiba®, Samsung®,etc.) by selecting the best possible combination and redesigning the final solution according to customer needs.



AN ABILITY TO OFFER TAILOR-MADE SOLUTIONS

The Group offers unique solutions specially designed to meet the needs of demanding customers who are at the cutting edge of technology in their markets. This "tailored" service is a competitive advantage of the Group compared to market leaders, as it has the agility and flexibility needed to devise the best solution for the customer.

For example, in 2020, the teams designed a solution using OCtoPus 3 servers from 2CRSi to meet the specific OVHcloud needs for the deployment of its public cloud offering in Singapore and Australia. This solution is compatible with the usual standards of shared data centres and also optimises the available computing density per m².

AGILITY AND AVAILABILITY TO LISTEN TO CUSTOMER NEEDS

The reactivity of 2CRSi and its close relationship with the main component manufacturers allow new technologies to be quickly integrated into products and to reduce time-to-market in order to offer unique market products. The ability of 2CRSi to implement production lines for small and large series also brings an industrial dimension to its approach, and thus provides solutions adapted to the needs of its small and large customers.

A dedicated team is defined to follow and advise the client throughout each project.

During the first lockdown linked to the COVID-19 pandemic, LinkOffice - a virtual desktop infrastructure provider (VDI) for B2B companies - contacted 2CRSi to relocate its VDI platform to our HPC data centre in the Paris region in order to keep control of its core business and meet the new GDPR requirements.

Our group carried out a skilful reverse-engineering of the existing platforms in Bulgaria and Luxembourg and started to migrate the 5000 VDI users to Paris in 48 hours. This responsiveness was accompanied by an investigation of the needs of LinkOffice with access to the latest Intel® technologies allowing an adaptation to the computing load needs, while offering an energy and cost efficient solution, at attractive prices, thanks to direct liquid cooling (DLC) and the reuse of residual heat.

This adaptability is based on technical knowledge of software enabling the Group to design suitable hardware servers. The Group's many partnerships offer its engineers and technicians the opportunity to benefit from cutting-edge training on applications facilitating their analysis of customer issues.

COMMITMENT TO THE OPEN COMPUTE PROJECT

(https://www.opencompute.org/about)

OPEN COMMUNITY®

Since 2018, 2CRSi has been an active member of the Open Compute Project. This community employs collective intelligence to redefine computing infrastructure solutions, with a perspective of performance and efficiency.

It was with this in mind that OCtoPus was born, our bestselling 21'' server platform.

OCtoPus pools cooling and power supply systems, reducing the energy consumption of air-cooled servers by around 23% compared to that of conventional servers. The number of some components (fans, switches) is reduced, and the cabling has been redefined to be simpler, offering greater maintenance ergonomics.

COMMITMENT TO GREEN IT

The issue of energy, and more specifically the cooling of data centres, is a real issue given that the world market for data centre cooling systems is experiencing annual growth of more than 12%, which could bring the world market to 20 billion dollars by 2025 versus just 8 billion in 2016 (source: Global Market Insights). This is the reason 2CRSi got involved in the design of eco-responsible solutions very early on.

Through our 3 cooling technologies (air, liquid cooling and immersion), we are committed to reducing energy consumption at all stages of the product's life.

We offer solutions to optimise the overall cost of acquiring our products. For example, in the United States, the energy costs linked mainly to the electricity consumption of the servers represents between 30 and 42% of the operational costs of a data centre, and the operation and maintenance costs between 43 and 50% of total operational costs. In light of these customer issues, we provide innovative solutions to minimise these two expense items, particularly in electronic and mechanical design as well as in the choice of components and their arrangement.

In the solution developed for the subsidiary of a leading French international bank specialising in risk calculation, 2CRSi was able to offer a 20% energy reduction compared to competing standard solutions. A reduction of 200 tonnes of CO_2 per year has been achieved thanks to Direct Liquid Cooling (DLC) technology, which has been accompanied by the installation of new very dense HPC servers with low energy consumption at an attractive per core price.

Overall, 2CRSi is thus able to offer its customers the best performance in line with the technical, economic and energy criteria required.

INDUSTRIAL KNOW-HOW ENABLING THE IMPLEMENTATION OF TURNKEY SOLUTIONS

Initially a consulting and design company for IT solutions, 2CRSi has developed its industrial facilities in France (Strasbourg) since 2010 and then in the United States (San José, California) since 2016.
Our strength lies in being able to constantly adapt to the production of small or large series.
In addition, 2CRSi is one of the rare market players to offer customers, on an industrial basis, the possibility of integrating their own software or technologies into developed products and/or allowing them to affix their name to a product developed by 2CRSi.

Our industrial know-how allows us to offer customers a set of additional services and to deliver turnkey infrastructures, notably by offering:

- assembly and tests on the Group's sites,
- assistance with certification by third-party organisations (APAVE, Bureau Veritas, etc.),
- disassembly, packaging and shipping,
- the establishment of all technical and administrative documentation (including customs),
- installation and testing at the customer or user site,
- short or long term rental of equipment, and
- maintenance at the customer or user site.

The diversity of this offer enables the Group to continually respond in an efficient manner that is adapted to the specific needs of customers and to differentiate itself from its competitors.

PARTNER STATUS

intel

INTEL® Partner Titanium

intel partner Titanium

With 2 specialties:
- Cloud Data Centre Specialist
- High Performance Computing Specialist

intel partner Cloud Specialist

intel partner HPC Specialist

NVIDIA

- Solution Provider - Visualisation Preferred
- Solution Provider - Compute DGX Preferred

IBM

Silver business partner

Western Digital

myWD Diamond Partner

GRAPHCORE

Elite Partner

Mellanox TECHNOLOGIES

Partner First

AMD

EPYC™ Partner Program Elite

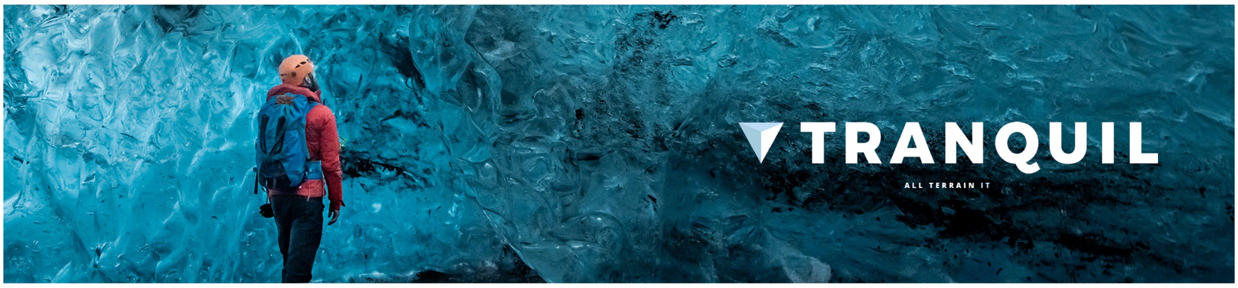
OPEN COMMUNITY®

OCP member

SUPPLIER ACCREDITATION

IBM	2 certified technical experts
BeeGFS®	2 certified experts trained as system engineer
NVIDIA	4 experts Certified Compute Sales Curriculum 5 experts Certified Virtualization Technical Curriculum
DATACORE	1 seller and 4 certified technical experts
Mellanox TECHNOLOGIES	1 seller and 2 certified technical experts
SAMSUNG	1 seller and 1 certified expert
Bright Computing	1 certified expert

RUGGED AND ONBOARD COMPUTER SYSTEM SOLUTIONS



Originating with the acquisition of TranquilPC, founded in 2003 in Manchester, United Kingdom, the Tranquil range offers robust, fanless and energy-efficient computer systems for "edge computing" and embedded uses.

The production site is ISO 9001 certified.
2020 sees a new visual identity more in line with the offer for the Tranquil brand, whose slogan is "All terrain IT". The website and all the tools have been updated in order to promote the quality of the products and their competitive advantages.

The company offers its customers the products in its catalogue (products marketed by distribution partners or resellers) or custom-made products under OEM (Original Equipment Manufacturer) contracts.

The Tranquil range meets the needs identified in various applications and industrial contexts, and more particularly in extreme environments. All the products are in machined aluminium, designed to withstand the most extreme environments and uses (extreme temperatures, industrial environments, humidity, saline environments, vibrations, shocks, etc.).

The products are rugged.	**Fanless, silent and limited maintenance.**	**Designed for wide temperature ranges.**
They meet the constraints of intensive use in an industrial environment. Responding to a high IP classification, these compact products are designed to operate under extreme conditions of shock or vibration, temperature, exposure to liquid splashes, etc. and are ideally suited for embedded use.	The risks of breakdown that come with moving parts (fans) are eliminated. The products also have the advantage of completely silent operation.	The machined aluminium monohull chassis of Tranquil products are unique and designed to provide passive cooling, dissipating the heat emitted by the electronic components in an optimal manner. They guarantee long-term reliability and allow efficient operation covering a wide temperature range.

AWARDS WON BY 2CRSI

2CRSi is regularly recognised by industry awards; the most recent distinctions include:

• **2013**: the Company becomes Intel® Technology Provider
I

• **2014:** the Company wins the Rhenatic Alsace Innovation digital excellence sector award with its Hexaphi server.

• **2016:** the Company wins the Alsace Innovation "Digital challenges of tomorrow" trophy with its OpenBlade™ product and becomes an official partner of HGST Inc.

• **2017:** 1st winner of the Pass French Tech Grand Est.

• **2019:** Les Victoires de la Croissance, awarded by Croissance Plus, BNP Paribas, KPMG and Le Figaro.

• **2020:**

  • The company wins the "Responsible Digital Infrastructure" award at the "Cas d'Or" for its range of energy-efficient servers

  • 2CRSi is selected by the European Commission to help design and manufacture 100% European high performance computing (HPC) systems as part of the PILOT project (Pilot using Independent Local & Open Technology).

  • 2CRSi received the "Alsace Export 2020" Trophy in the "Establishment abroad" category for its overall international business development efforts.

• **2021**:

• In March 2021, 2CRSi obtained Titanium accreditation under Intel's new Partner Alliance Program, which is the highest level of partnership within the Intel program.

• In June 2021, 2CRSi joined the Coq Vert community (BPI France) which supports companies in adopting more environmentally responsible behaviour.

• In October 2021, 2CRSi won the Cas d'Or prize for digital responsibility in the “Energy Management” category which rewards solutions and devices enabling end users to control energy consumption and promote ecological transition.

• In October 2021, the 21-inch OCtoPus server solution whose value proposition is centred around energy savings and respect for the environment, led 2CRSi to becoming a certified member of the Solar Impulse Foundation created by the Swiss psychiatrist, explorer and environmentalist Bertrand Piccard. In 2017, while the Research and Development teams of 2CRSi were trying to improve the energy efficiency of a standard cluster, the engineers of the French IT manufacturer rethought the implementation of the fans and the power supply at rack level, and have managed to reduce the power consumption of the OCtoPus solution by up to 23% (compared to equivalent conventional systems according to the items quoted by 2CRSi).

1.3. BOSTON LIMITED

Since 1992, Boston's mantra has been to offer its expertise and operational excellence for the success of its long-term partners. Boston strives to always provide its customers with cutting-edge technology and award-winning solutions tailored to their uses.

The Boston Group is made up of three brands with distinct activities: Boston Limited (IT integration and distribution), Bios IT (consulting and tailor-made solutions), Escape Technology (IT solutions for content creation in the media, entertainment and 3D sectors).

INTERNATIONAL PRESENCE

Since its founding in London, United Kingdom, Boston has significantly expanded its activities internationally. After the successful launch of Boston IT Solutions India in 2009, Boston established itself with Boston Server & Storage Solutions GmbH in Germany in 2010. In 2018, Boston started its activities in South Africa, Switzerland and Australia. In 2020, Boston expanded its coverage of Africa from South Africa and its French subsidiary was renamed Boston France.

CUSTOMISED SOLUTIONS, DEDICATED TEAMS

Boston's high performance data storage and server solutions became customised, tailoring solutions based on Supermicro® technology to create the ideal response to customer needs.

COMPLIANCE AND ACCREDITATIONS

Boston Limited seeks to continuously improve its products and services through its quality process to which it has been committed for several years.

- **ISO 9001 quality management certification**: 2015
- **ISO 14001 certification for the company's environmental management:** 2015
- **EE registration number:** WEE/CC0749YY
- **Cyber Essentials certificate number:** 7208475
- **Packaging Waste Directive (PWD CODE):** NPWD312354
- **EU Battery Directive registration number:** BPRN06332

• **INTEL®** partner titanium
• **NVIDIA®** Elite Partner in all technology solutions, making Boston Limited the UK's most accredited NVIDIA® partner
• **AMD:** EPYC Partner Program Elite
• **VMware:** Advanced Partner
• **Graphcore:** Elite Partner

COMMITMENT TO GREENER TECHNOLOGIES

Boston aspires to reduce its carbon footprint and advance so-called "green" computer technologies. ISO environmental certification underpins this commitment with well-defined objectives and standards, as does the choice of external partners such as Supermicro® and Asperitas, aiming to bring ever more energy efficient solutions to the market.
Boston is also engaged in ongoing tree planting and fundraising initiatives, and participates in the UK government's "Cycle to Work" programme for all employees at its headquarters in St. Albans. A "Green Team" prize is also awarded each year to the department that has invested the most in the "green" objectives defined by the company to encourage people to adopt more virtuous daily behaviour.

BOSTON LABS

Boston offers access to its "Boston Labs", a test lab that allows resellers and their customers to try out the latest products and technologies available on the market. This includes remote access to servers and allows testing from the customer's own desktop before purchasing the final solution.

AWARDS WON BY BOSTON LIMITED

Boston is regularly recognised by industry awards; the most recent distinctions include:

- **2020** Storage innovators of the year - Storage award
- **2019** Manoj Nayee - Gamechanger of the Year - ACQ5
- **2019** Storage innovators of the year - Storage award
- **2018** Hyper-Convergence Vendor of the Year - Storage Awards
- **2018** Best Marketing Video - Tech Marketing & Innovation Awards
- **2018** Best AR/VR solution - Tech Product Awards
- **2018** Tesla Partner of the Year - NVIDIA®

SUPPLIER ACCREDITATION

NVIDIA
- Tesla – Elite
- DGX - Elite
- vGPU – Elite
- Quadro - Elite
- Deep Learning Institute - Elite

Which makes Boston Limited the most accredited partner of NVIDIA® in the UK.

IBM
IBM® Business Partner

GRAPHCORE
Elite Partner

AMD
AMD Elite Partner

vmware
"Advanced Partner"

SUPERMICRO
Distributor

Mellanox TECHNOLOGIES
Distributor

Micron
Distributor

intel
- Intel® Titanum Partner
- Technology Provider Platinum Partner
- HPC Data Centre Specialist
- Intel® Select Solution Partner

Boston also partners with other hardware vendors and independent software vendors in a number of specialties.

BOSTON TRAINING ACADEMY

THE BOSTON LIMITED TRAINING ACADEMY

Boston has created its own academy whose ambition is to become the benchmark in IT training. With a vast catalogue of training courses, the accreditation of the Boston Training Academy is a guarantee of excellence, differentiating the commitment of partners ready to take their learning a step further.

Boston is also an NVIDIA® Deep Learning Institute Training Partner and has a number of qualified in-house NVIDIA® trainers around the world.

In 2020, the Boston Training Academy thus made enormous progress in developing and delivering more courses than ever with partners such as Intel® Software and the NVIDIA® Deep Learning Institute. This development, combined with the integration of new partners such as Fujisoft, has led to the opening of a number of AI centres of excellence.
It is in this context that Boston Limited, through its academy, is proud to commit itself to the Centre of Excellence (CoE), a unique structure that brings together students of higher education. Boston limited thus works with six university partners who benefit from the Boston Training Academy: Periyar University (India), Xavier University (United States), IES University (India), Leading India AI (India), ISBM Institute, Chola Mandala.

The six university partners:

The CoE is the Centre of Excellence for Industry 4.0, offering a range of services to students, laboratories, professionals, companies and start-ups.

Boston India has partnered with CoE to deliver premier training courses leveraging a private cloud solution, with a focus on Industry 4.0 technologies. The CoE's focus on future product innovation across India is supported by a shared platform for academics, businesses and tech professionals to interact and solve industrial and social challenges in a collaborative environment. This entire ecosystem is made possible by vScaler Cloud. vScaler is a high-performance private cloud specifically designed and optimised for HPC, Big Data and AI/ML workloads.

The mission of the Boston Training Academy is to become a renowned development site for talent engagement, training and solutions across various disciplines.

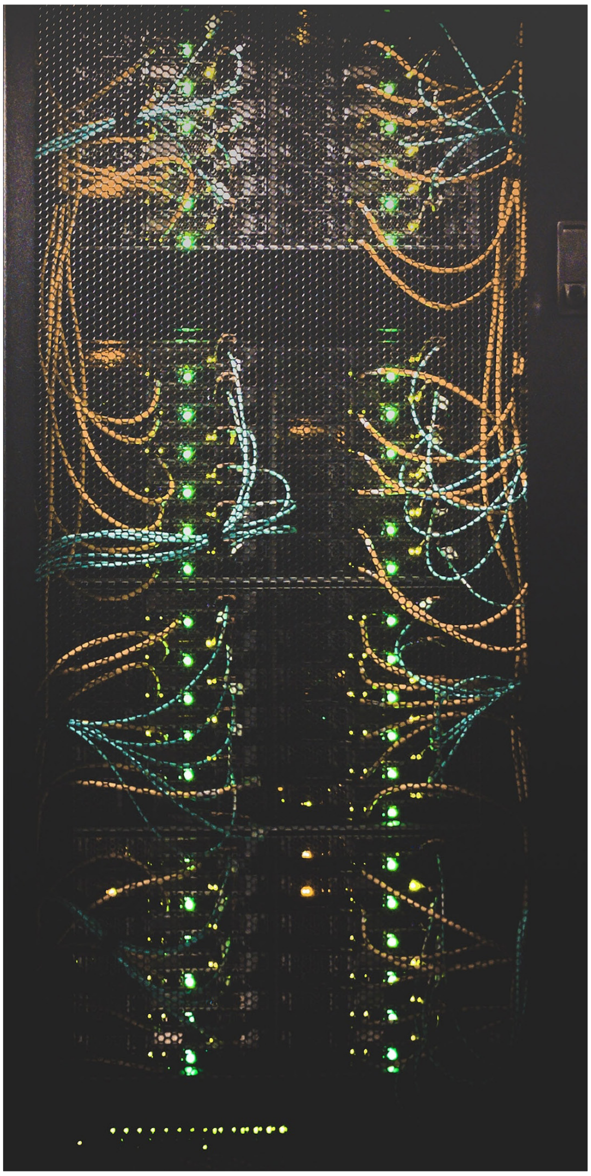
Key sectors	Centre of excellence for Artificial Intelligence	Partnership training programme	Academic training programme	AI and data science consulting services	
Partners	Webel	Arrow Education Services	intel software	NVIDIA Deep Learning Institute	
Major areas of activity	Artificial Intelligence Solutions	AI and data science training	Co-establishments	Custom design	Development of sales skills
Achievements	18 memoranda of understanding signed with 10 more under negotiation	Over 2000 delegates trained	Educational institutes recognised by the brand	High margin revenues over $ 110.00	Key industrial partners for AI

1.4. BIOS IT

The BIOS IT brand offers IT consulting and integration services, providing tailor-made global solutions to companies with high performance computing needs. BIOS IT has specific know-how in the research (science, engineering, university computing laboratories) and finance (trading, risk management) sectors. The product and service offering includes high performance servers, data storage, networking, on-premise or cloud, and all associated services and supports.

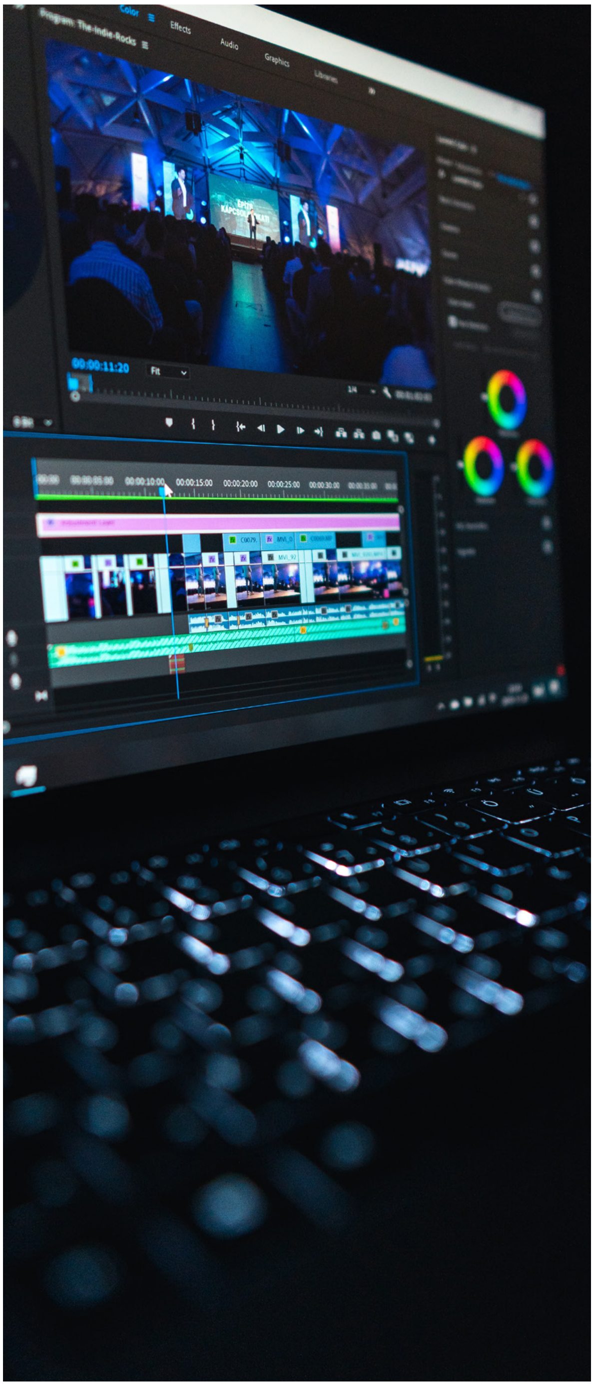
BIOS IT has acquired strong HPC expertise through years of experience and collaboration with a large number of leading universities and research centres. The internal BIOS IT team of technical experts can thus provide its customers with scalable, efficient and reliable HPC solutions.

BIOS IT helps to simplify the deployment, use and management of IT cluster systems by providing a standardised and reproducible method. This method allows clusters and high performance applications to be run straight out of the box. BIOS IT offers a range of open source and non-open source compute cluster management software packages, selected based on customer environment and workflow. BIOS IT pre-designs and tests multiple variants of hardware and software, making compute clusters easy to deploy, simple to use, consistent, transparent, turnkey, and fully available.



1.5. ESCAPE TECHNOLOGY

Escape Technology



Escape Technology was established in 2005 as a specialised technology business unit within Escape Studios - an elite training school in the field of visual effects. Escape Technology was incorporated following an investment from Boston Limited in 2013, and has since grown to be the provider of choice for content creation studios in the games, visual effects, animation, design visualisation and architectural visualisation fields. Escape Technology's clients include some of the top studios in the media and entertainment industry, including MPC, The Mill, and Industrial Light and Magic (ILM).

Escape Technology provides hardware, software and technical assistance to graphic designers in their industries. Thanks to a collaboration with major manufacturers such as HP®, Dell®, NVIDIA®, Adobe ® and Autodesk®, Escape provides complete solutions for creative workflows and the underlying IT infrastructure. The Escape Technology team is made up of professionals with a wealth of industry and creative technology experience, able to recommend, deliver and maintain the best technology for creative studios.

- **Engineering:**

The internal team is made up of engineers and technical specialists. Each has had the opportunity in their career to work on the front line in the field of visual effects or post-production and bring clients a strong and varied skill set. With mastery of all aspects of workflow practices, pipeline architecture and systems administration, Escape Technology's expertise is leveraged by studios across the UK and, more recently, in Germany.

- **Know-how and anticipation:**

Escape Technology has been able to anticipated trends since its inception and prepared its customers for the evolution of visual effects. Whether it's new ways of working or technological revolutions such as GPU rendering or the cloud, Escape Technology is always one step ahead.

1.6. GREEN COMPUTING

Green Computing is the trademark under which the company **Green Data** operates, a joint venture founded in March 2019 and 55% owned by **2CRSi** and 45% by **Azur Datacentre**, specialist in data hosting.

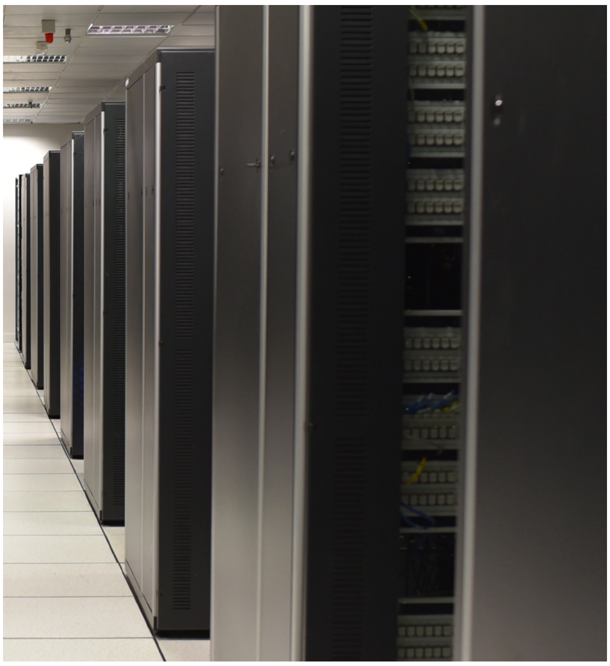
The Green Computing infrastructure consists of:

- **2 data centres in Nanterre, Sophia-Antipolis**

- **An HPC infrastructure made up of:**
  · 30,000 cores available
  · A 1.5 MW DLC (direct liquid cooling) platform
  · 1 MW of immersion cooling (10 immersion tanks, the largest group in Europe)
  · OCP hosting solutions (21'')

- **A network offer bringing together**
  · A fibre optic network connecting the main datacentres in Ile-de-France
  · Connections to the main ones Internet service providers and French exchange points

- **A range of à la carte services:**
  · Accommodation (housing)
  · Networks
  · Bare Metal on demand
  · HPC as a Service: since autumn 2020



THE GREEN COMPUTING SERVICES PANEL

Bare Metal as a Service	HPC as a Service	Hardware Client hosting (sold or rented by 2CRSi)

Network connectivity and security
IP transit, VPN, Dark fibres, Dedicated links, Anti-DDoS, Firewall

Housing
standard servers, OCP servers 3 types of cooling: air, DLC and immersion

THE ADDED VALUE OF GREEN COMPUTING

AN INNOVATIVE VISION FOR TECHNICALLY AND FINANCIALLY OPTIMAL SOLUTIONS

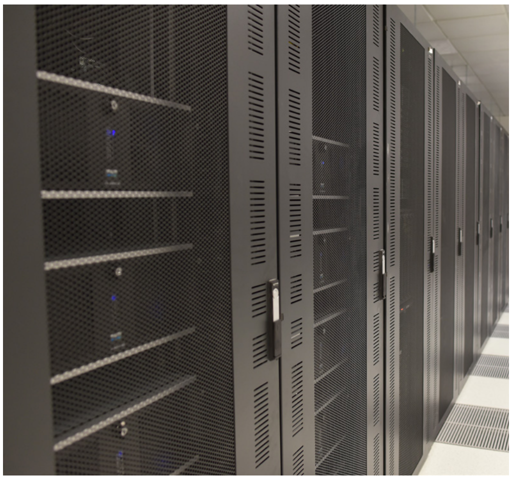
HPC ORIENTED INFRASTRUCTURE	Offer very high density hosting solutions for intensive computing needs (3D rendering, AI, VDI, etc.). The major datacentre players (Equinix, InterXion, etc.) are not yet present in this market.
OPERATIONAL AGILITY	Optimisation of CAPEX by taking advantage of the investment of large groups: limited investment upgrading of industrial sites (or even datacentres) destined to be dismantled and which have robust and relatively recent electrical infrastructures. This approach makes it possible to apply very aggressive prices (reduced CAPEX compared to the competition).
COMPLEMENTARITY WITH THE 2CRSi OFFER	With the increase in electrical densities, the new platforms offered by 2CRSi to its customers are increasingly complicated to host on their premises, hence the natural demand for outsourcing to a specialised datacentre.
GREEN-IT	Reduction of the ecological footprint: Optimised PUE through direct water cooling, immersion cooling and heat recovery

Green Computing also offers its expertise to its customers with specific needs in computing power, advanced simulation, software testing or even in the event of a peak in activity on the existing IT infrastructure. The customer can thus meet their needs without being forced to invest often large amounts in comparison to the duration of use.

For example, to achieve increasingly realistic renderings (3D image), certain customers in the cinema industry or in advertising require significant computing power. Their own computing resources being limited, they need additional computing or storage power for specific or one-off projects (production of a cartoon, advertising, presentation of a new product, etc.).

Green Computing therefore has a range of turnkey solutions that can be delivered quickly and fully adapted to these needs (pre-wired racks with complete servers that can be connected to the customer's network, for example).

Finally, Green Computing offers fully tailor-made solutions, both in terms of servers (thanks to 2CRSi tailor-made solutions) and in terms of hosting (from the possibility of having private cages to the development of algorithms for optimised calculation).



1.7. MISSION, VISION, STRATEGY AND OUTLOOK

MISSION

For many, the current period is similar to the Renaissance, with a bubbling of new ideas, an intermingling of disciplines and techniques and an accelerated dissemination of knowledge. In this new world, Big Data and artificial intelligence represents a new industrial revolution, beyond that of the Internet. From trade to energy through finance, health and culture, all sectors of human activity are today large consumers of digital data making it the gold mines of the contemporary world.
Big Data encompasses the ability to produce or collect digital data, to store it, to analyse it and to visualise it. It is very often characterised by the "3V" (volume, variability, velocity), with the data arriving in great quantities at unprecedented speed and is of a more varied nature than in the past. The advent of the "Internet of Things" will strongly accentuate this phenomenon.
However, behind this virtualised, distributed and remote computing, there are very real infrastructures of high energy consumption and carbon impact.

If the datacentres of the world formed one country, it would be the 6th largest consumer of electricity in the world. According to some analyses, the digital sector could generate as many greenhouse gas (GHG) emissions as air transport in 2040. Today, digital represents 2% of France's GHG emissions, or 15 MtCO2eq; on the basis of an anticipated growth of 60% in 20 years, it could reach 24 MtCO2eq of emissions in 2040, or 7% of the forecast emissions for France.
In this context where digital data increases and takes on more importance every day, 2CRSi is proud to have as its mission **"to reconcile IT and the planet".**

This reconciliation requires technological solutions that are
- less energy consuming,
- better suited to customer needs (by eliminating in particular the outperformance towards which many IT manufacturers are pushing),
- optimised in terms of components,
- designed and produced locally.

VISION

Over the past 10 years, the competitive landscape of the server market has undergone a dramatic change. Traditional players such as HP, Dell and IBM® have experienced a significant decline in their market share at global level, allowing the emergence of new players.
According to Gartner, these players (HP, Dell and IBM®) together represented nearly 75% of the global market in 2012. Their cumulative market shares represented only 52% of global server market revenues at the end of 2017, and less than 40% at the end of 2020, despite the efforts of these players to defend their market share by buying out some emerging competitors.

This change in the competitive landscape is the result of several factors:

- **The emergence of Chinese players such as Inspur and Huawei.**
  The arrival of these new players is the result of the policy of the Chinese government looking to have national players able to provide solutions for the domestic demand and which are not dependent on foreign players, for data security reasons in particular.

• Vertical integration and the introduction of new server design standards by Web and cloud giants such as Google, Microsoft and Facebook.

Tired of product offerings from major generalist brands that did not respond to its concerns, in 2011 Facebook launched a new project dedicated to improving the design of servers, the OCP (Open Compute Project). Developed with a view to optimising the operating costs of IT infrastructures, this initiative is based on a standard open to all and specifications which all can meet. The main change is dogmatic: it is not the supply that drives the market but the demand that guides the supply of manufacturers. Thus, on 10 March 2015, Facebook announced that it had already saved more than 2 billion US dollars on its infrastructure costs in three years thanks to OCP.

• The other Internet giants have followed this trend by choosing their technology from different suppliers (like 2CRSi) and thus developing their own equipment, which they then have manufactured by sub - contractors, particularly in China and Taiwan.

In France, OVH and Online (Iliad) are following this strategy. In practice, an open standard allows innovations to be multiplied by the appearance of new players who, thanks to the innovations they bring, are able to receive very large order volumes from the major internet contractors (GAFA or similar).

• The development of hyperconverged systems, which combine computing, data storage, network and virtualisation functions.

This new generation of architectures allows new, more agile players, offering tailor-made and disruptive solutions with higher added value, to gain market share. This is the case for example with 2CRSi, Penguin Computing and Liquid. These players are benefitting from the growth of this market segment, while the traditional players are seeing their growth slowed down because their historical positions are based on less profitable segments. Thus, according to Gartner, multi-node servers used for hyperconverged systems should represent around 30% (in number of units) of the global market in 2021, compared to 17% in 2014 and 25% in 2017, with growth of nearly 10% over the 2017-2021 period.

• The need for services.

Only the biggest internet giants today have large teams capable of independently managing the definition and implementation of their server infrastructure. For the rest of the economy, the possibility of benefitting from services is essential: some only need simple installation and maintenance services while others value the possibility of having a turnkey solution, hosting included, and to benefit from advice to optimise their choice of application, their algorithms or their licence costs.

• The evidence of Green IT.

Consideration of the environmental issue represented by the growth of datacentres favours players who, like the Group, offer solutions that reduce energy consumption:by reducing the quantity of electricity required for operation of the servers and therefore the amount of heat generated by them, we induce an additional reduction in energy consumption used for cooling.

These major market trends, born a few years ago with the development of big data and the Internet of Things, have been reinforced and accelerated by the COVID-19 health crisis. This has, for example, transformed work by making telework a necessity as soon as it was possible. In addition, this crisis has made Western countries aware of the strategic need to limit their dependence on technologies originating in Asia and therefore to develop a local ecosystem by favouring companies and solutions from their region for their purchases.

These positions are leading to the emergence of a modified competitive landscape, in which traditional players, still present with strong market shares, are competing with players who are both more agile operationally and offer solutions with an optimised total cost of ownership, a reduced carbon footprint and local production.

The ambition of 2CRSi is to be a benchmark player in hyperconvergence and of Green IT, to make these solutions the new market standard and thus move into the top 10 in computer server sales.

STRATEGY

The Group's success is based on three pillars:

1. **Technological innovation, always aligned with customer performance need and with respect for the environment**

2. **The expansion of the offer with complete IT solutions and services plus increased market access thanks to various strong brands**

3. **Extensive international coverage**

1. Technological innovation

Innovation has been an essential part of the 2CRSi DNA since its creation. This innovation allows the Company to offer different solutions that are perfectly adapted to the needs of its customers.

In 2006, the Company acquired design capabilities in mechatronics and business intelligence in the server and industrial IT sector.

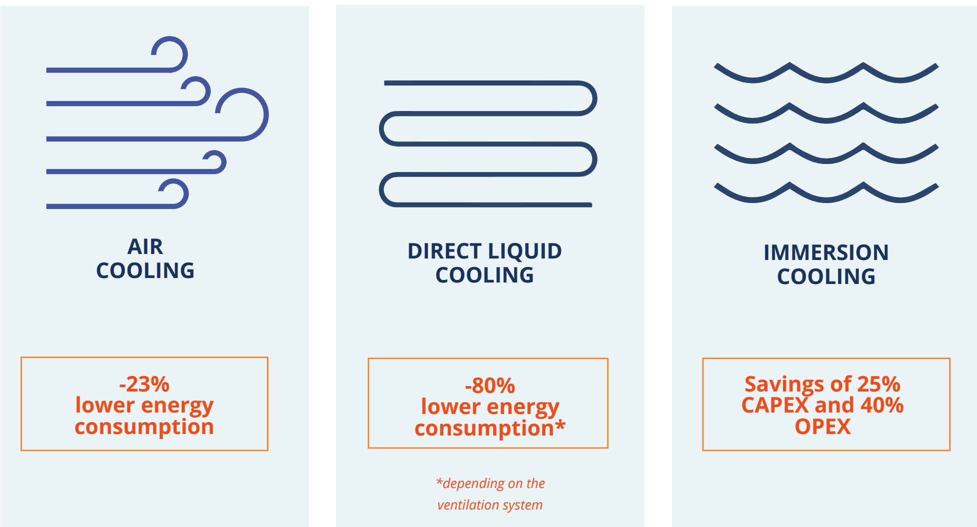
Since 2013, the Group has structured its research and development efforts, increasing the fields in which its teams of engineers act. Today, the development of new 2CRSi solutions is driven by:

- a team in charge of server architecture and design,
- a team of doctorates, engineers and technicians dedicated to mechatronics and thermodynamics,
- a team specialising in electronics and embedded software,
- an applied research team working on major developments in energy subjects.

Over the past five years, the new technologies developed by 2CRSi are the result of efforts to reduce the electricity consumption of servers, as well as their economic and ecological cost through:

- The pooling of cooling and power supply systems for servers;
- Intelligent control of the fans by a server dedicated to monitoring server activity;
- Maintaining the operation of the servers despite the failure of one or more elements.

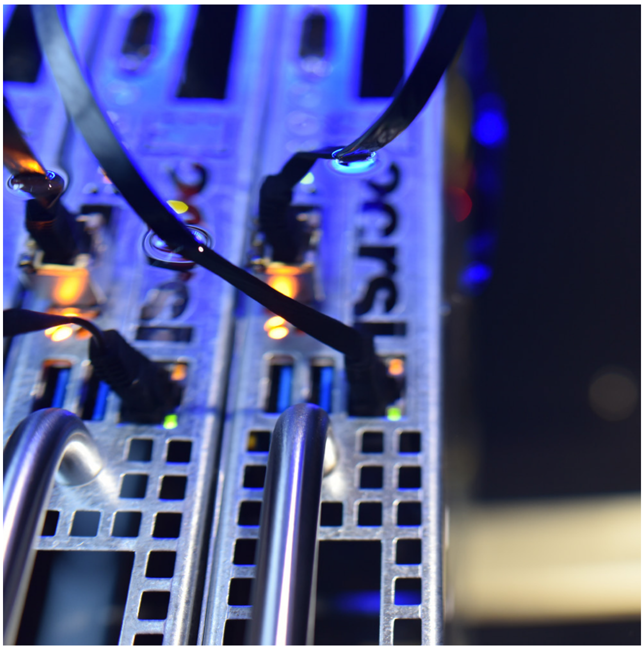
As of 2017, the first servers in the OCtoPus range offered a 23% saving in electricity consumption compared to equivalent competing servers. Today, 2CRSi offers electricity consumption gains, for both air and immersion (the servers are immersed in a tank containing a dielectric liquid) with direct liquid cooling technology (the hottest components are cooled by thermoblocks in which a liquid circulates).



Beyond the gains in electricity consumption, the 2CRSi teams have also made it possible to reduce the cost of acquiring servers thanks to the elimination of all unnecessary components, the pooling of fans and power supplies and even the use of reconditioned materials.

Finally, 2CRSi servers aid facilitation of maintenance work with access to all connections on the "cold corridor" side and thus achieve additional savings during the operating phase.

The work performed so far has made it possible to design servers with a power consumption reduced by 40% to 60% in immersion. The substantial savings made possible by these technologies represent the first step in 2CRSi's research on the subject of energy.
Today, the Group also allows its customers to recycle the waste heat produced by the servers, for example to heat water. Tomorrow, the teams will aim to reuse this heat to produce electricity.



2. The expansion of the offer

a. Expansion of the server offer

By being able to respond to specific needs with a tailor-made response, 2CRSi quickly reached out to a high-end clientele that uses IT at the heart of its own service offering (flight simulation, video games, cloud, university research, geological modelling, etc.).
This initial positioning, while demonstrating the strength of 2CRSi's innovation, presented certain constraints for the Company's growth in the short or medium term:

- Large contractors were reluctant to place orders with small players,
- To ensure robust and regular growth, 2CRSi had to diversify its customer portfolio.

This is why the years 2019 and 2020 were devoted to finalising the development of new products making it possible to cover more than 80% of the market. This catalogue offer will make it possible to develop the group's sales over a wider and more diverse range of customers.

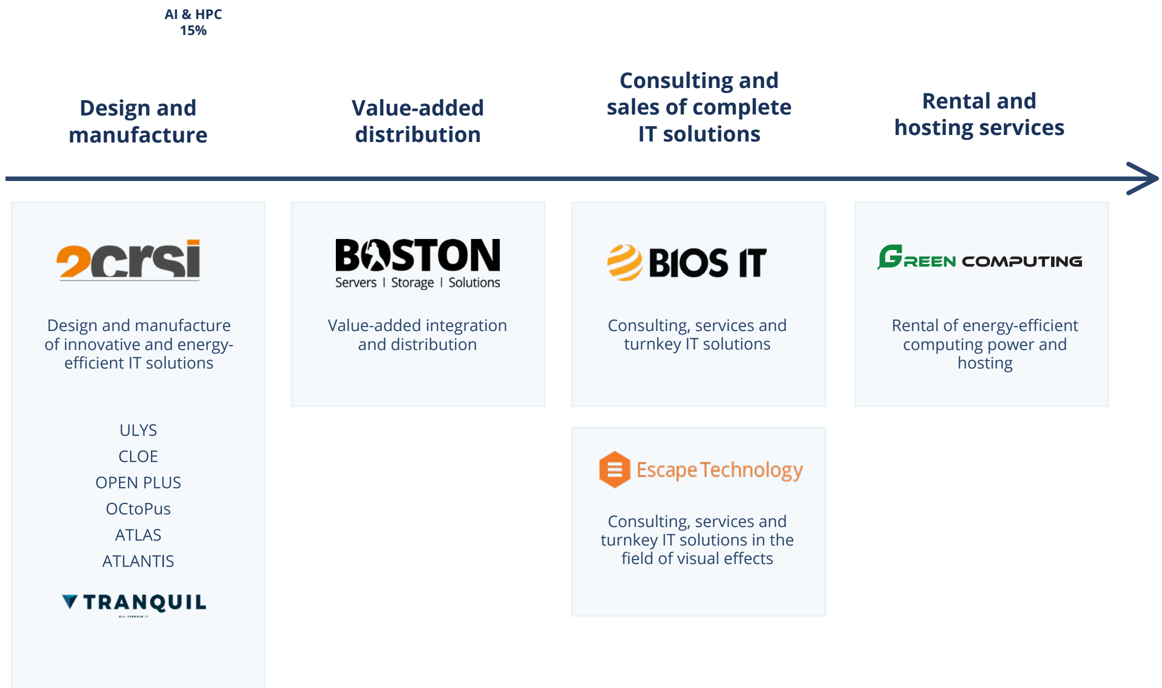
b. Expansion of the offer with complete solutions and services

2CRSi intends to offer more than products in order to meet customer needs. The Group has thus developed its capacity to sell complete solutions comprising applicative elements as well as the services the customer may need: rental of computing power and of data storage, installation, maintenance, training, etc. The Group's teams are also increasingly called upon by large companies to provide them with consulting or diagnostic services upstream of investment phases in new IT infrastructures in order to optimise their operations and their overall operating budget (including their software licence budget).

The Group includes four established major activities, each clearly positioned:

- The design and manufacture of energy-efficient computer servers, workstations, storage solutions and rugged servers (edge computing) (2CRSi)
- Value-added integration and distribution (Boston Limited)
- The sale of complete IT solutions and the provision of services (advice, design, installation) for complete IT solutions - (BIOS IT) specific to the field of audiovisual creation (Escape Technology)
- Hosting and rental services for computing power and data storage (Green Computing).

THE 2CRSI GROUP VALUE CHAIN



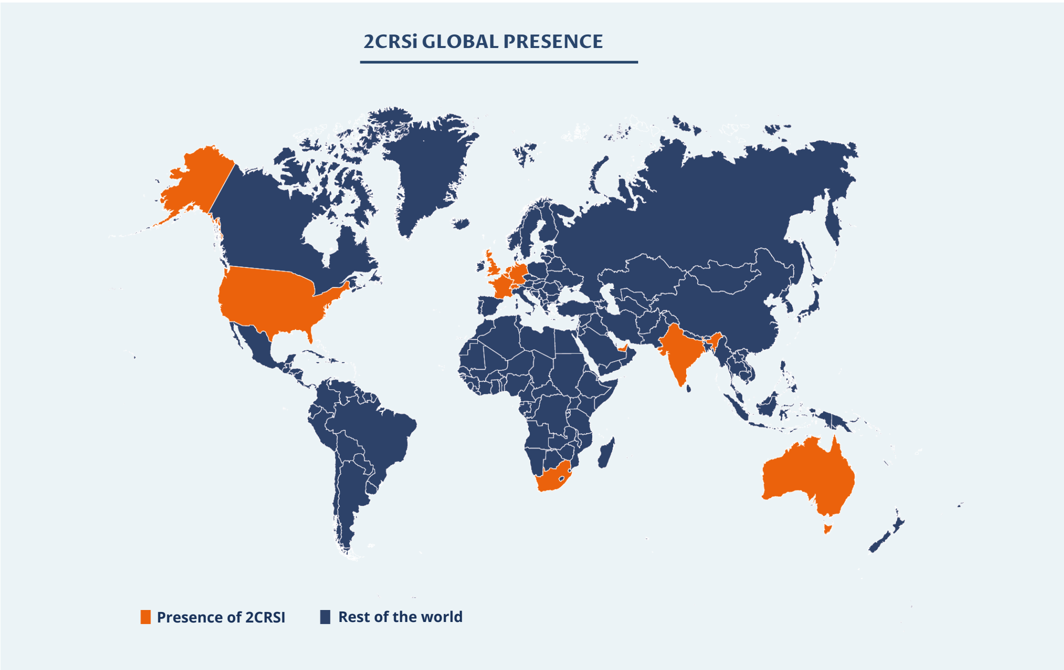
3. Extended international coverage in a multi-local approach

2CRSi's goal is to meet the needs of its international customers in order to offer them the opportunity to access local technical teams but also to anticipate regulatory obstacles (technical standards, customs fees and other barriers to entry).

Many clients need this support in new geographic areas. For example, software publishers for whom the Group produces specific *appliances* want the Group to offer them identical services regardless of their geographic area. Likewise, the Group's customers from the military world need a partner who can project their teams beyond sea and land borders, speaking the same language with the same working methods.

This desire to support customers has always been a guideline for the Group's new international installations. It remains the main vector of this strategy.

Our vocation is to be a multi-local company, with production sites close to the target markets. This strategy aims to better serve customers thanks to the responsiveness of competent local teams and the interest in having locally produced solutions. In addition, it helps to increase employee appreciation of their work in that the client is a company established in their region. Finally, it contributes to the development of the regions where the Group is established with an effort to train local teams and grow local employment.



Beyond the current positions, 2CRSi also wishes to expand its coverage to new high potential markets in order to gain market share, in particular with hyperscalers (big data and internet / cloud players) who are operating in these markets. The Group therefore intends to extend its geographical presence to new countries, primarily in Asia. Other geographic regions are also under study. The new target countries, mainly in the southern hemisphere, have certain commonalities, such as a sustained rate of economic growth, expensive electricity, high average temperature even in winter, etc.

In parallel with its own expansion, 2CRSi has decided to develop its commercial presence by expanding its distribution channels beyond the areas covered by Boston by setting up agreements with resellers selected on the basis of precise criteria.

ORGANIC AND EXTERNAL GROWTH

During its IPO, 2CRSi indicated that external growth was an important growth axis. To date, the Group is concentrating its efforts on the development and integration of the first two acquisitions made in 2018 and 2019 and considers that the organic growth potential of the current group is very significant.

However, on the strength of these initial experiences, 2CRSi could once again consider new acquisitions of technological, commercial or industrial building blocks in the future to fuel its growth and extend its positions in the value chain.
The main characteristics of the target companies would remain the same as announced in 2018:

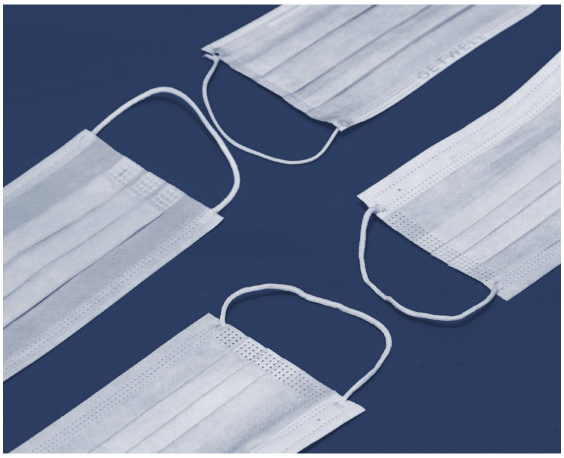
- the capacity for innovation: in order to accelerate, diversify or strengthen the Group's research and development or applied research skills, the growth operations would aim to broaden or deepen the knowledge, techniques, methods or technologies necessary for the improvement of existing products or the development of new ones;
- profitability: necessary condition, profitability of the target should be effective for several years;
- the existence in a market close to the Group's businesses, which would either ensure supply (upstream integration) or ensure market outlets (downstream integration);
- the ability to accelerate the commercial dynamics of the companies acquired. The acquisition of companies with strong commercial potential, in a new market or a new geographic region should also make it possible to acquire sales forces that are already serving customers in this market or region and thus enable the Group to rapidly increase its market share, while limiting the risk of commercial failure.

OUTLOOK

THE IMPACT OF THE COVID-19 CRISIS

The COVID-19 health crisis affected the Group at several levels:

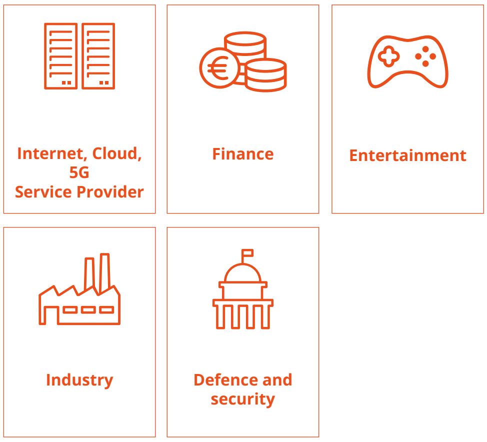
- The approximately 40% longer delivery times for certain components from Asia as of January 2020;
- Contrasting changes in commercial dynamics with both postponements of commercial discussions and, at the same time, increased demand in certain sectors of activity such as cloud computing and even on-line video games; and
- A more constrained integration process for the Boston Limited teams.



2021/22 OUTLOOK

Building on the initial results of the stronger 2020 marketing and sales effort and the benefits from the acquisition of the Boston Limited Group, 2CRSi is looking ahead to the coming months with confidence, thanks to:

- An extended 2CRSi product offering and its integration into the Boston Limited catalogue to ensure coverage of more than 80% of market needs;
- An extension of the commercial reach thanks to the strength of the Boston Limited network and the recent establishments set up by the Group
- Economies of scale in procurement and marketing. Following the acquisition of Boston, the 2CRSi and Boston Limited purchasing teams thus aligned the purchasing conditions with the best of the two entities and negotiated better conditions thanks to the increased purchasing volumes and the possibility of negotiating directly with some manufacturers. The average gains obtained are on average 3 to 6%, and up to 10 to 15% on certain major orders;
- A commercial conquest strategy focused on five priority sectors or "verticals".



- The development of a specialised distribution network with European and American partners with high added value. Our efforts are focused on Eastern and Southern Europe.

WORLD SHORTAGE OF ELECTRONIC COMPONENTS

The first months of 2021 are still marked by the global shortage of electronic components. While this most specifically affected power supplies, memory modules and graphics cards, in 2021 it was extended to all products related to data storage (controllers, hard disks, flash) as well as to processors.

In the short term, 2CRSi has a sufficient level of stock to deliver its customers' orders and to cope with the longer supply times.
The Group's growth could however be affected if the shortage were to persist into the medium term.
Finally, as this shortage of components is global and generalised, the associated cost increases have so far been passed on through sales prices.

1.8. RESEARCH AND INNOVATION

Research, Development and Innovation (RDI) are part of the 2CRSi DNA and are the company's flagship tools, making it possible to meet the technological challenges of the IT industry.

The Company specialised in engineering from its inception, then from 2006 developed tailor-made products. In 2014, the Company initiated research into electronic subjects (power and information transport) then in 2015 software (embedded software and distributed systems). In 2016, it worked on energy-related developments and since 2018 on cooling solutions.

The ambition and the success of 2CRSi is through the provision of innovative and more rigorous products, to obtain a greater density of storage and power, while concentrating on moving towards increased frugality, whether in energy or in natural resources.

The skills at work in terms of R&D and innovation in the Group revolve mainly around specialties such as mechanics, ecodesign, thermal / thermodynamics, electronics / embedded electronics, innovation, methods, simulation and rapid prototyping. With this broad technical and scientific know-how, the 2CRSi investigators, engineers and technicians take up varying levels of complex challenges which, even if they are generally part of applied research or experimental development, are also the subject of more in-depth, upstream fundamental research, with the aim of designing products or systems whose perspective is that of breakthrough innovation.

The mission of our R&D team is to offer customers ever more innovative, eco-designed and efficient products that meet their exact needs.

R&D AT THE HEART OF 2CRSI

The R&D team is made up of around thirty people who work on targeted projects with specific milestones and clearly identified objectives. Some of the developments carried out are also the result of a certain amount of good fortune. Sometimes, particular research allows the discovery of a technical or technological solution adapted to a need or use other than that initially identified. This research then becomes a new axis of development with new milestones.

This agility is also a strength of a dynamic and pluralist R&D team like that of 2CRSi.
Empiricism plays an important role in the 2CRSI approach to R&D: we research, simulate, develop and design on theoretical and scientific bases, but we also continue to experiment and test solutions through trial-error-success, in our electronics and mechanics laboratories, in the purest tradition of ingenious engineering.

Thus, to carry out the R&D work, 2CRSi has test and electronics laboratories and a rapid prototyping workshop which are continually improved and equipped for increased availability of equipment suited to the design of reliable and innovative servers. Our research and development efforts are thus supported by tools that allow us to have total technical and practical control of our work.

2CRSI INNOVATION

In a market experiencing rapid and marked obsolescence, our innovation is at the heart of Joseph Schumpeter's "Perpetual Hurricane of Creative Destruction" whereby new innovations lead to obsolescence and the disappearance of old versions. These rapid technical and technological advances drive our passion.

While we frequently associate R&D and innovation with technology, they can just as easily be organisational, societal, social, marketing, etc. Thus, a part of the innovation team devotes 50% of its time to research that affects, rather than technology, the improvement of production, quality, organisation, processes, etc. This part is important in preparing the growth of the company and its capacity to serve larger customers.

OUR LEVERS

Multidisciplinarity and pluriculturalism are our main levers. The four different RDI divisions cooperate on a daily basis in project mode and with an ideation process.
In addition, the various divisions of RDI interact closely with other departments in the company, such as production, marketing and sales in order to benefit from their feedback for the development of our future ranges of products or tailor-made systems. Finally, a key point is to maintain our teams at the highest level of competence and knowledge by taking three paths: technology watch, continuing education (seminars, MOOCs, training) and teaching activities (some of our RDI employees teach in universities and engineering schools disciplines such as hardware electronics/software or innovation).

ECO-DESIGN

Our research and development seek greater temperance throughout the design and product manufacture value chain with, in particular, a reflection that covers the whole life cycle and research into the carbon footprint and more generally the ecological impact of 2CRSi servers. The energy frugality of our products and systems, as well as the reuse of waste heat, are essential to our developments and research. The preservation of natural resources (various raw materials, rare earths, etc.) has also entered our concerns with initial investigations carried out on the integration of biobased materials.

ACADEMIC LEVEL RESEARCH

With the objective of carrying out cutting-edge research, in 2019 we began the necessary steps to support two of our engineers in a project to produce a doctoral thesis. Thus, under a CIFRE banner (Industrial Research Training Convention) and in co-supervision with laboratories in the region specialising in the fields concerned, two thesis subjects will be researched:

1. Life Cycle Analysis (LCA)

This first subject, directly linked to our concerns relating to eco-design, will deal with the analysis of the parametric and consequential life cycle. This will involve research aimed at setting up processes, solutions and tools (artificial intelligence and Big Data), allowing the (intelligent and automated) integration of environmental aspects, from the design of our products (goods and services) and this, throughout their life cycle, with an objective of equivalent or superior service rendered. The goal is, of course, to reduce the harmful impacts of our activity on the planet. Some of the questions that this thesis will seek to answer are:

- *How to establish and reference a standard lifecycle for a computer server*
- *How to collect reliable data on the environmental impacts of servers (in operation, end of life or recycled)*
- *How to carry out comparative analyses on the environmental impacts of servers (in operation, end of life or recycled)*
- *How to calculate a recyclability rate for a server*
- *How to integrate the issues of reuse or recyclability from the design stage*

2. HPC link via FPGA

This second subject, for its part, constitutes the bases of research on a new paradigm of real-time packet transfer architecture and HPC link optimisation via FPGA (Field Programmable Gate Arrays). The goal is to deal with HPC link optimisation and real-time packet transfer with a low level hardware electronics approach. The interest in using FPGA technology and the electronic and logical approach (VHDL) of this work lies in the idea of a real-time packet transfer system suited to HPC and the possibility of standardised links with certified and known transfer times. In addition, in keeping with our eco-design approach, it is worth noting the advantages of FPGA technology in terms of power consumption. The research programme includes:

- ***Link optimisation.***
- ***Link normalisation.***
- ***Advanced network discovery***

R&D IN PRACTICE

In line with the RDI efforts initiated in 2019 and 2020, we are continuing work to improve and develop the OCtoPus and OCtoPus "i" ranges. There are also developments in Direct Liquid Cooling.

OCtoPus "i": the OCtoPus "i" range includes servers in OCP format (21 inches) optimised for liquid cooling by immersion in a suitable dielectric liquid. The challenge was to improve overall energy performance through a systemic approach. This is a success, since the equipped data centres can expect to achieve 40% savings in their operating costs. In addition, the absence of powerful air conditioning systems allows a saving of up to 25% on the investment needed for the construction of a data centre.

Direct Liquid Cooling: 2CRSi has extended its product offering with solutions operating with Direct Liquid Cooling (DLC) in response to a need for ever greater heat dissipation from processors, new generation graphics cards and other components, an increase in power to which is added the ultra densification offered to certain customers. The developments relating to DLC were carried out around two approaches: complete systems integrated into dedicated and adapted environments, as well as hybrid, autonomous systems, combining DLC and air cooling, which can be integrated anywhere. In addition, the growing interest in reusing waste heat prompts us to continue our research in the field.

PATENT POLICY

The Group's intellectual property protection policy is limited. This policy is explained by the slowness of the procedures for registering intellectual property rights and the difficulty of providing proof of the priority of its right over that of its competitors. Also, the Group believes that the costs and delays that a patent protection policy would involve are disproportionate to the protection obtained in an industry where the pace of innovations and technological developments is faster than that of the processes for protecting intellectual property rights.

In addition, part of the Group's intellectual property is based on know-how which is not easily patentable. The Group therefore proceeds to formalise these innovative solutions and products at trade fairs or in press releases in order to validate their authorship.

Finally, all employees are subject to strict confidentiality rules and the Group limits the communication of sensitive information to third parties as much as possible, by contractually ensuring that these third parties undertake not to divert, use or communicate this information, in particular by means of confidentiality agreements.

2 HALF-YEARLY ACTIVITY REPORT

2.1. MAIN POINTS FROM THE FIRST HALF OF THE 2021-22 FINANCIAL YEAR

2.1.1 NEW CUSTOMER ORDERS

FURTHER SUCCESS OF THE GROUP WITH CERN CONTRACTS WORTH OVER $ 15 MILLION

The 2CRSi Group in February 2021 announced the signing of new contracts with CERN, the largest particle physics centre in the world, for the supply of thousands of compute servers equipped with AMD EPYC™ processors as well as JBoD storage systems, in order to support the latest scientific projects of the Organization.

CERN is one of the most prestigious scientific laboratories in the world. Its vocation is fundamental physics, the discovery of the Universe's constituents and laws. The technological complexity of the CERN experiments is extreme and the computing resources are subject to severe constraints. By optimising computing times, the new servers and storage capacity provided by the 2CRSi Group will help meet the many challenges to come.

The 2CRSi Group cultivates close proximity to the world's largest scientific research centres as supplier to many leading research institutes and academic establishments. After being selected in July 2019 for its storage solutions, this new success with CERN strengthens the 2CRSi strategy of technological differentiation.

The 2CRSi Group won several CERN contracts, directly and via partner resellers, for a total turnover exceeding 15 million dollars. A large part of the turnover relating to these orders was achieved in the first half of the year, making CERN the Group's leading customer over this period.

EDGEMODE, HPC AND CRYPTOCURRENCY SPECIALIST, CHOOSES 2CRSI HIGH PERFORMANCE, LOW ENERGY SERVERS

On 31 March 2021, 2CRSi and EdgeMode announced the conclusion of the first contracts marking the start of a long-term partnership. A first order totalling $ 1 million was placed by EdgeMode in February 2021. This computing power has already been deployed in a "green" datacentre in the United States in order to accelerate the achievement of the mission that EdgeMode has set for itself, namely to offer the best energy efficient HPC cloud and cryptocurrency mining infrastructure in the North American market. EdgeMode then placed a second order for $ 1.25 million in March, which will be delivered in April 2021.
In order to plan for the short-term deployment of additional capacity, EdgeMode has also announced its intention to order significant additional computing capacity which will be provided by 2CRSi over the next six months.
These contracts mark the first step in a strategic partnership that will see EdgeMode and 2CRSi work closely together to deliver both green and cost-effective datacentre environments and HPC equipment in a variety of industries across North America.

2CRSI WINS NEW ORDER FOR ENERGY-EFFICIENT HPC SERVERS FROM PETROLEUM SECTOR CUSTOMER

On 6 July 2021, 2CRSi announced the receipt of a new order from a long-standing customer in the petroleum sector. This order was followed by a second in October 2021 (announcement of 7 October).

The client is a world leader in geoscience services, whose advanced technology requires very significant computing power. The customer's teams have always placed energy efficiency and TCO (total cost of ownership) at the top of their expectations; they have therefore been sensitive for several years to the innovative and energy-saving solutions designed by 2CRSi.

The July contract is for the delivery of new compute nodes to the customer's UK datacentre. The 196 multi-node OCP servers, based on high-frequency Intel® Xeon® processors, will ship in the latest generation of air-cooled OCtoPus arrays from 2CRSi, which offer high density industry-leading energy efficiency and total cost of ownership. 2CRSi has worked closely with its customer to increase core density per bay (now exceeding 1,000 high frequency Xeon® cores), while maintaining all other key parameters such as memory bandwidth and cost optimisation. 2CRSi air-cooled OCP arrays typically deliver 23% energy savings over traditional 19-inch server bays.

Despite the shortage of components, 2CRSi was able to deliver the order quickly as the servers use components originally ordered to build servers for the client Blade. The delivery of the new systems took place during the first half of the 2021/22 financial year.

The October contract covers the delivery of 280 additional servers (or 840 compute nodes), similar in nature and configuration to the July order, again to its datacentre in the United Kingdom. Delivery is expected before the end of the year.

In total, deliveries for this 2021/22 fiscal year should reach 476 servers (1,428 nodes), making this customer the leading oil sector contributor in terms of turnover, and one of the top 10 customers of 2CRSi. This new success is a demonstration of the quality of the long-term partnerships that 2CRSi establishes with its clients.

2.1.2 LAUNCH OF NEW PROJECTS KEY TO THE GROUP'S GROWTH

EXTENSION AND MODERNISATION OF PRODUCTION CAPACITY IN FRANCE: 2CRSI, WINNER OF THE "INDUSTRY RECOVERY PLAN - STRATEGIC SECTORS" CALL FOR PROJECTS

On 14 April 2021, 2CRSi announced that it has been selected by the State as part of the "industry recovery plan - strategic sectors" with its project to relocate critical activities in the national territory.

In light of the unprecedented global health crisis, in September 2020 the French state implemented a massive recovery plan of 100 billion Euros, including 35 billion reserved for industry. While the overall objective is the modernisation of production tools and support for digital and environmental transformation, the government more particularly through this plan intends to guarantee national sovereignty by localising or relocating the production of strategic sectors, including electronics.

In this context, and totally in line with a strategy of local production initiated 10 years ago, 2CRSi submitted its project called "2CRSindustrie 4.0", aimed at repatriating production from long-term partners in Asia to its Strasbourg site in France. With these new customers and the markets opening up to 2CRSi, the project also includes the extension, modernisation and digitalisation of its industrial tooling, as well as the implementation of a new ERP.

In total, the planned project represents a planned investment of € 2.1 million over the next 14 months.
As winner of the call for projects from the Ministry for Industry, 2CRSi receives support in the form of a subsidy of € 800,000.

CREATION OF A "GREEN" DATACENTRE AND PREPARATION OF A TECHNOLOGY CAMPUS PROJECT IN ROUSES POINT, STATE OF NEW YORK (USA)

On 17 May, 2CRSi announced the choice of Rouses Point, in the State of New York, to establish a campus and a "green" datacentre in the United States.
The technology campus is set to become the 2CRSi expertise centre in the United States, bringing together the production of computer equipment, sales, training, research and development and support functions, as well as a datacentre providing customers with green hosting services.
Strategically located at the entrance to the Quebec-New York corridor between New York and Montreal, the former Pfizer production site in Clinton County, just 800m from the Canadian border, is being rehabilitated by ERS Investors and will be specifically developed by 2CRSi for its project.
2CRSi and ERS plan to build a campus fully integrated into the local economic fabric, creating jobs and forging partnerships with surrounding universities. The Group is currently working on a solution to reuse heat from servers for nearby homes and businesses.

With access to green and affordable electricity, the first phase of the production site and datacentre design offers an initial electrical capacity of several megawatts. Customers can also benefit from substantial savings in operational costs through the use of the most advanced cooling solutions on the market. 2CRSi and ERS have already jointly invested over $ 12 million in the project and plan to invest an additional $ 8 million.
This will allow 2CRSi to start production and offer new green IT services to its customers. Together, they will equip the campus with a 100 Gbps broadband network, attracting production and data processing companies to what will

become the future jewel of the Northeast. Finally, the 2CRSi campus will be an illustration of ERS standards in terms of sustainable development and good sustainable production practices.

2.1.3 BLADE

CONTEXT

The Blade Group, a PC cloud specialist for video game players, has been a long-standing customer of the Group, which 2CRSi has supported in its development since 2017 by providing it with a high-performance server infrastructure at reduced energy consumption.
The various contracts concluded with the Blade Group have concerned either the sale of servers with retention of title clauses until the equipment has been paid for, or the rental of servers with an option to purchase at the end of the contract. The equipment leased by 2CRSi has been partially financed through sale-leaseback contracts with banking establishments.
Over the 2020-21 fiscal year, sales with the entire Blade group amounted to € 17.9 million, mainly for deliveries to the United States.
As a reminder, in 2019, 2CRSi also participated in the Blade SAS capital increase by investing € 2 million by offsetting receivables corresponding to interest owed by Blade under a contract for the sale of equipment.

DEVELOPMENTS IN 2021/22

On 2 March 2021, Blade went into receivership. On 1 March 2021, its American subsidiary, Blade Global Corp., was placed under "Chapter 11" protection of the United States of America Bankruptcy Law. Since these announcements, the two companies have continued their activity while a disposal plan is put in place and a possible buyer is chosen.

On 30 April 2021, the Paris Commercial Court appointed the company hubiC, owned by Octave and Miroslaw Klaba, as the sole buyer of the Blade SAS activity. The court approved the plan to sell part of the assets used by Blade SAS, noting the settlement commitments in the amount of € 10.5 million excluding tax by hubiC to 2CRSi. This sum was received in full on 17 May 2021. The court also confirmed the principle of restitution of the equipment delivered by 2CRSi to Blade after 1 January 2020.

By decision of 3 May 2021, the United States Bankruptcy Court of California authorised the sale of part of the assets held by Blade Global Corporation to a US entity dependent of hubiC. The 2020 equipment owned by 2CRSi is excluded from this sale, its recovery from different datacentres started in May and ran through to July. In view of these delays, hubiC extended the rentals of certain equipment.

In addition, 2CRSi submitted a demand on 10 May with a view to obtaining the payment of all or part of its claims as part of the liquidation of Blade Global Corporation and a request is in progress to obtain the payment of the rents due to 2CRSi for the period after the bankruptcy filing in the context of the continuation of the activity.

IMPACTS OF THESE DEVELOPMENTS ON THE CONSOLIDATED ACCOUNTS OF 2CRSi

1. In 2019, 2CRSi participated in the Blade SAS capital increase by investing € 2 million by offsetting receivables. Taking into account Blade's entry into bankruptcy proceedings, this investment was fully depreciated at the end of February 2021.

2. Regarding receivables relating to contracts prior to 31/12/2019 (equipment acquired by hubiC), 2CRSi had negotiated a rescheduling agreement for trade receivables with the Blade Group at the end of 2019.
The balance of this receivable amounted to € 11.3 million (including tax) as of 28 February 2021, compared to € 16.1 million as of 29 February 2020.

With the initiation of insolvency proceedings, this receivable became payable at the start of the 2021/2022 financial year and was therefore presented as a current financial receivable. The price paid by hubiC in exchange for this equipment (€ 10.5 million net, € 12.6 million gross) fully compensates for the impact of the cancellation of these rescheduled receivables and the residual finance lease receivable for equipment delivered before 1 January 2020 (€ 0.7 million as of 28 February 2021). No impairment of these receivables was therefore recognised as of 28 February 2021 in this regard.
The financing obtained by 2CRSi from financing organisations for the equipment taken over by hubiC was subject to a procedure with financial organisations with a view to their early repayment. At the end of February 2021, the total amount of debt recognised under financing contracts for this equipment was € 2.8 million including tax.

3. With respect to rental contracts entered into after 1 January 2020, Blade is not the owner of the rented goods. In its agreement with 2CRSi, hubiC has undertaken to facilitate the return of this equipment, most of which is located in the United States.

The financial receivable associated with this equipment delivered after 1 January 2020 amounts to € 15.6 million (of a total financial receivable related to Blade under finance leases of € 16.3 million) to 28/02/2021.
At the end of February, the Group had assessed the value of the financial receivable on the balance sheet in comparison with the market value of these assets, after deduction of the cost of recovering and restoring these materials. Given the uncertainties and fluctuations in the market, a depreciation of the financial receivable of € 2.5 million had been recorded. During the first half of the year, the equipment taken back was recorded in stock, and accounted for based on the lower value between the amount of the financial receivable and the remarketing value net of marketing costs. The financial claim has been written off.

At this stage, the company considers that, taking into account the current period of shortage of computer components, the equipment concerned will be either resold or operated by 2CRSi under satisfactory market conditions that make it possible to cover the value of the constituted stock (€ 13.1 million).

In addition, the stocks related to the current order of Blade and not delivered consist of non-specific material that is easily marketable to other customers. This material has been used extensively at the time of writing this report.

4. The Group adopted a cautious approach in its consolidated financial statements of 28 February 2021. Taking into account the cash received over the period as part of the legal proceedings, the net impact on 2CRSi's income statement for the half-year is positive. In the presentation of the consolidated accounts, all the impacts on the income statement were considered in other operating cost income for a net positive amount of € 818,000.

In summary, the balance sheet positions linked to the Blade Group at the end of August 2021 in the 2CRSi consolidated accounts are as follows:

In Thousands of Euros - as of 31 August 2021	Assets			Liabilities
	Gross value	Amortisation Depreciation	Value Net	
1) Under contracts prior to 31 December 2019				
Receivables related to shareholdings/Financial receivables	0	0	0	-
2) Under contracts after 1 January 2020				
Stocks	13,076	-	13,076	-
Debts under financing contracts	-	-	-	1,592
3) Other items				
Equity securities	2,038	(2,038)	0	-
Total	**17,061**	**(4,525)**	**13,076**	**1,592**

Taking into account the collections made and the cautious position adopted on 28 February 2021, the impacts of the Blade Group's receivership on the income statement for the first half of 2021/22 are as follows:

	In thousands of euros
Impact on operating profit	**818**
Impact on the financial result	**0**

Finally, in the context of the liquidation of Blade SAS in France and Blade Global Corporation in the United States, 2CRSi hopes to obtain financial compensation of several million Euros. Taking into account the probable delay for the implementation of the liquidation and the uncertainty on the amount that the liquidators will be able to repay to 2CRSi, no income was recorded in this respect in the 2CRSi accounts as of 31 August 2021.

2.2. GENERAL PRESENTATION OF THE RESULTS AND THE FINANCIAL SITUATION

2.2.1 KEY FIGURES OF THE PERIOD

The first half of 2021-22 was marked by the continuation of the commercial successes started during the previous financial year.

During the semester, 2CRSi also had to deal with the financial difficulties of its long-time client Blade, placed in receivership on 2 March 2021, and whose activities were taken over by hubiC in May 2021.

(in millions of Euros)	2021-2022 6 months	2020-2021 6 months	2020-2021 12 months	2019-20 12 months *pro forma* (1)
Turnover	**90.2**	**79.8**	**163.3**	**141.1**
EBITDA	**4.3**	**1.1**	**7.4**	**1.1**
EBITDA margin	4.7%	1.5%	4.5%	0.8%
Consolidated net income, Group share	**(1.1)**	**(2.5)**	**(4.2)**	**(2.9)**

(1) By way of reference, the pro forma 12-month income statement from 1 March 2019 to 29 February 2020 has been established:

· Based on the consolidated accounts of the historic 2CRSi Group over the 14-month period, from which the consolidated accounts established over the period 1 January 2019 to 28 February 2019 for the same scope were deducted.

· By adding the consolidated income statement of the Boston Ltd Group for the period 1 March 2019 to 29 February 2020, considering that the fair value adjustments determined on 18 November 2019 would have been identical as at 1 March 2019 (without taking into account over the 12 months the amortisation of the customer relationship and the financial expense of accretion of the debt linked to the put option).

2.2.2 ACTIVITY UPDATE

The Group's turnover stood at € 90.2 million as of 31 August 2021, an increase of 15% compared to the first half of fiscal year 2020-21.

EXPANSION AND DIVERSIFICATION OF THE CUSTOMER BASE

The Group confirms the expansion and diversification of its customer base, made up of customers representing varying business volumes. Thus, the Group's largest customer represents 12% of sales over the half-year, roughly the same level as in the first half-year of 2020/21 (13%).
The top 10 customers of the Group account for 45% of turnover over the period, compared to 49% in the first half of 2020/21.

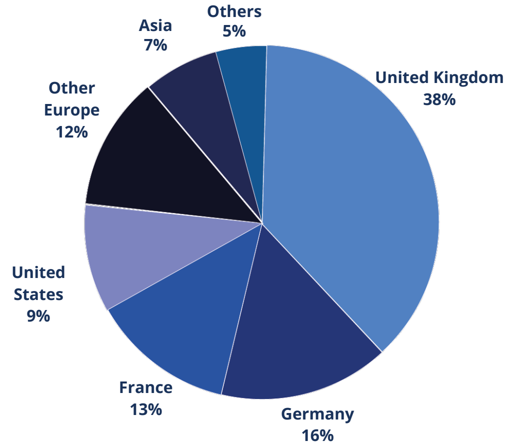
INTERNATIONAL EXPANSION

The good commercial dynamic of 2CRSi is also contributing to the internationalisation of activities with 87% of sales and services carried out outside France.

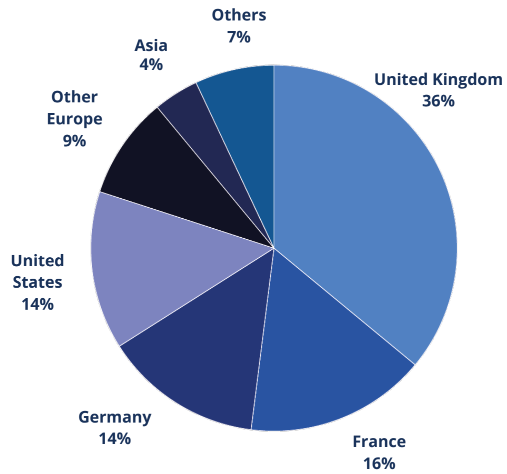
The United Kingdom and Germany proportion rose sharply, respectively from 28% over the 2020-21 fiscal year to 38% over the first half for the United Kingdom and from 8% to 16% for Germany. The proportion for France moved to 13% (versus 26%) and that of the United States to 9% (versus 17% over the previous year, which was mainly impacted by the turnover achieved with Blade). Sales in the United States during the semester relate mainly to the activities hosted in the new datacentre at Rouses Point. Finally, the proportion for Asia moved from 2% to 7%.

Breakdown of turnover by place of delivery

2021/2022 (First semester)



2020/21 (12 months)



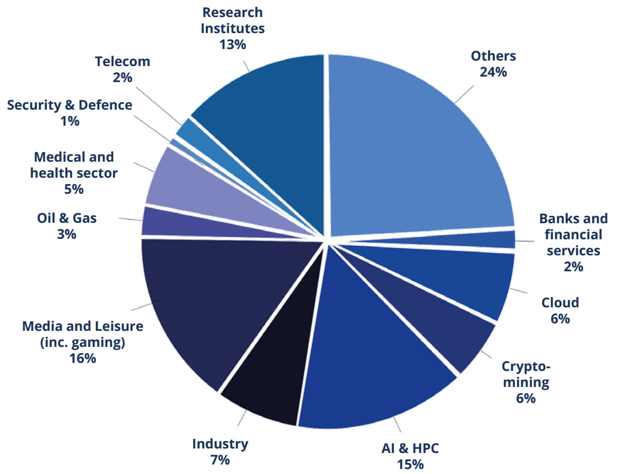
DIVERSIFIED CLIENTS

2021-22 saw confirmation of the developments initiated in 2020-21 with new cloud, banking sector, research, HPC services (high performance computing) and cryptocurrency mining contracts.

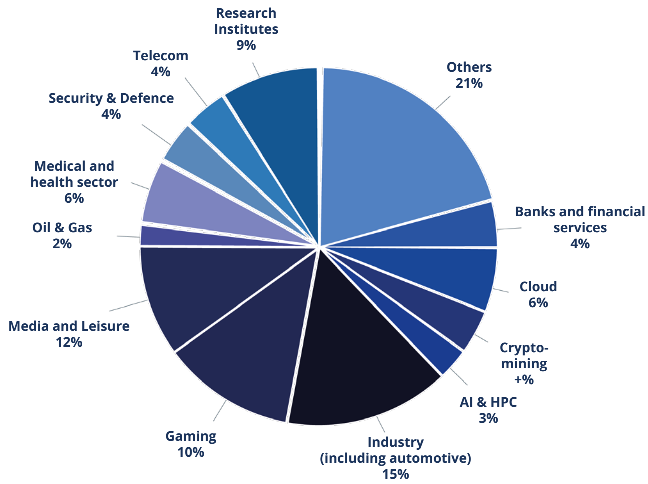
In addition, the value-added distribution activity resulting from the acquisition of Boston Limited strongly contributed to growth over the year in the defence, research, industrial, media and IT services sectors, with a large part of its customers having been affected by the pandemic.

Breakdown of turnover by business sector

2021/2022 (First semester)



2020/21 (12 months)



2.2.3 UPDATE ON EXPENSES FOR THE YEAR

Period	01/03/20 - 31/08/21	01/03/20 - 31/08/20	01/03/20 - 28/02/21
Duration	6 months	6 months	12 months
Turnover	90.2	78.5	163.3
Other income from the activity	(0.1)	1.3	3.9
Income from normal activities	**90.1**	**79.7**	**167.2**
Consumables purchased	(70.2)	(65.6)	(129.7)
External costs	(5.3)	(4.2)	(9.4)
Staff costs	(10.4)	(8.5)	(19.5)
Taxes and duties	(0.2)	(0.2)	(0.6)
Other operating income & expenses	0.2	(0.2)	(0.6)
EBITDA	**4.3**	**1.1**	**7.4**

For the first half of 2021-22, 2CRSi posted a gross margin rate of 22.2% versus 16.4% in the first half of 2020-21. External charges rose to € (5.3) million in comparison with the first half of 2020-21, with in particular an increase in marketing and travel costs, which were very much reduced during the previous financial year notable for restrictions.

Staff costs amounted to € (10.4) million, or 11.5% of the Group's turnover, compared to € (8.5) million, i.e. 10.8% of turnover for the first half of 2020-21 defined by restriction on movement, and 12.0% for the whole of the 2020-2021 fiscal year. This rise reflects an overall increase in the workforce that is more sustained than the growth in activity over the half-year, with a strengthening of technical operational capacities. The workforce reached the level of 389 employees versus 373 at the end of February 2021.

EBITDA for the year came to € 4.3 million, up 46% compared to the first half of 20/21.

2.2.4 OTHER INCOME STATEMENT ITEMS

Period	01/03/21 - 31/08/21	01/01/19 - 29/02/20	01/03/20 - 28/02/21
Duration	**6 months**	**6 months**	**12 months**
EBITDA	**4.3**	**1.1**	**7.4**
Other current operating incomes and costs	0.1	-	(0.2)
Depreciation allowance and provisions	(2.6)	(3.2)	(6.6)
Current operating income	**1.7**	**(2.1)**	**0.6**
Operating income	**1.7**	**(2.1)**	**0.6**
Financial income	(2.8)	(0.9)	(5.0)
Consolidated net income	**(1.0)**	**(2.6)**	**(4.3)**
Consolidated net income, Group share	**(1.1)**	**(2.5)**	**(4.2)**

Operating profit for the year came to € 1.7 million.
The financial result is negative at € (2.8) million.
It was mainly impacted by the revaluation of debts linked to the Boston acquisition (- € 2.2 million) while interest charges on loans remained stable (+ € 0.1 million versus S1 2020).

Consolidated net income, Group share, is € (1.1) million over the first six months of the financial period.

2.3. MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE FINANCIAL YEAR

As previously communicated, 2CRSi remains exposed to uncertainties related to the health crisis, to the shortage of electronic components of which the health crisis is one of the causes, and in general to its collateral effects on the economy. The associated risks are described in chapter 5.2.5 “Risks related to Covid-19” and chapter 5.2.4 “Financial risks” of the 2020/21 Universal Registration Document filed with the French Financial Market Authority (Autorité des Marchés Financiers).

More generally, 2CRSi does not anticipate any change in its risks for the rest of the 2021/22 financial year as described in chapter 5 “Risk Management” of the Universal Registration Document 2020/21 approved by the AMF on 27 July 2021.

3 CONSOLIDATED HALF-YEARLY ACCOUNTS

3.1. CONSOLIDATED HALF-YEARLY ACCOUNTS

The period considered begins on 01/03/2021 and ends on 31/08/2021, i.e. a period of 6 months.
The consolidated accounts for the fiscal year ended 28 February 2021 are presented in the summary tables for ease of reading.

3.2. CONSOLIDATED HALF-YEARLY INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Notes	First Semester 2021/2022 (6 months)	Fiscal year 2020/2021 (6 months)	Fiscal year 2020/2021 (12 months)
Turnover	3.6.4.1	90,242	78,477	163,339
Other income from the activity	3.6.4.2	(138)	1,277	3,877
Consumables purchased	3.6.4.3	(70,187)	(65,587)	(129,707)
Margin rate on turnover	-	22.2%	16.4%	20.6%
External costs	3.6.4.3	(5,304)	(4,150)	(9,426)
Staff costs	3.6.4.4	(10,393)	(8,471)	(19,534)
Taxes and duties	-	(152)	(225)	(598)
Other operating income and expenses	-	183	(181)	(590)
EBITDA	**3.6.4.5**	**4,250**	**1,141**	**7,361**
EBITDA margin rate on turnover	-	4.7%	1.5%	4.5%
Other current operating incomes and costs	*3.6.4.5*	50	0	(216)
Net depreciation allowance and provisions	3.6.4.5	(2,571)	(3,235)	(6,575)
Current operating income		**1,730**	**(2,094)**	**569**
Other non-current operating income and costs	3.6.4.5	0	0	0
Operating income		**1,730**	**(2,094)**	**569**
Cost of gross financial debt	-	(2,967)	(1,377)	(2,491)
Other net financial income	-	442	428	2,009
Net provisions for depreciation of financial assets and other financial provisions	-	(259)	0	(4,532)
Financial income	**3.6.4.6**	**(2,784)**	**(950)**	**(5,015)**
Profit before taxes		**(1,054)**	**(3,044)**	**(4,445)**
Taxes	3.6.4.7	48	406	119
Net income		**(1,006)**	**(2,638)**	**(4,326)**
Group share	-	(1,119)	(2,531)	(4,188)
Minority shareholders	-	113	(107)	(139)

In thousands of euros	First Semester 2021/2022 (6 months)	Fiscal year 2020/2021 (6 months)	Fiscal year 2020/2021 (12 months)
Net income	**(1,006)**	**(2,638)**	**(4,326)**
Conversion differences	567	(817)	(736)
Items recyclable to profit or loss	**567**	**(817)**	**(736)**
Actuarial gains and losses on net retirement commitments of deferred taxes	0	(616)	(736)
Items not recyclable to profit or loss	**0**	**(616)**	**50**
Comprehensive income for the period	**(439)**	**(4,071)**	**(5,013)**
Group share	(593)	(3,874)	(4,822)
Share of non-controlling interests	154	(197)	(190)

3.3. HALF-YEARLY CONSOLIDATED BALANCE SHEET

Statement of Financial Position			
In thousands of euros	Notes	31/08/2021	28/02/2021
ASSETS			
Goodwill	3.6.5.1	7,871	7,763
Intangible fixed assets	3.6.5.1	15,840	15,641
Property, plant and equipment	3.6.5.2	21,223	22,186
Financial offsetting receivables (non-current)	3.6.5.4	6,687	7,163
Other non-current financial assets	3.6.5.7	1,400	1,401
Deferred tax assets		2,593	1,768
Non-current assets		**55,614**	**55,921**
Stocks	3.6.5.5	57,360	32,222
Customers	3.6.5.6	28,143	28,106
Other current assets	3.6.5.7	12,015	12,084
Financial offsetting receivables (current)	3.6.5.4	6,837	28,139
Cash flow and cash equivalents	3.6.5.14	5,346	4,544
Current assets		**109,701**	**105,096**
Total assets		**165,315**	**161,017**
In thousands of euros		31/08/2021	28/02/2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital	3.6.5.8	1,282	1,282
Share premiums	3.6.5.8	39,999	46,084
Reserves	3.6.5.8	434	(2,429)
Profit for the year attributable to the owners of the company	3.6.5.8	(1,119)	(4,188)
Shareholders' equity attributable to owners of the company		**40,596**	**40,749**
Non-controlling equity reserves	-	(257)	70
Income from non-controlling equity	-	113	(139)
Non-controlling equity		**(144)**	**(69)**
Total shareholders' equity		**40,452**	**40,680**
Loans and financial debts	3.6.5.9	30,495	33,831
Non-current lease liabilities	3.6.5.9	13,102	14,005
Employee benefits	3.6.5.13	573	497
Deferred tax liabilities	-	2,771	2,732
Other non-current liabilities	-	3,044	1342
Non-current liabilities		**49,985**	**52,407**
Current financial debts	3.6.5.9	33,504	23,112
Current lease liabilities	3.6.5.9	2,376	2,859
Other current provisions	3.6.7.4	396	335
Payables	3.6.5.12	23,979	24,057
Other current liabilities	3.6.5.13	14,624	17,568
Current liabilities		**74,878**	**67,931**
Total shareholders' equity and liabilities		**165,315**	**161,017**

3.4. VARIATION IN SHAREHOLDERS' EQUITY CONSOLIDATED HALF-YEARLY ACCOUNTS

Changes in equity

(Amounts in € k)	Capital	Premiums linked to capital	Reserves	Actuarial difference and currency effects	Income for the year	Group share of shareholders' equity	Non-Group interests	Total owner's equity
The situation at the end of the 2020.02 financial year (*)	**1,282**	**46,084**	**4,115**	**41**	**(6,381)**	**45,140**	**(108)**	**45,031**
Appropriation of income of 2020.02 financial year	-	-	(6,381)	-	6,381	-	-	-
Variation in exchange rates	-	-	-	-684	-	(684)	(52)	(736)
Non-recyclable OCI [Other Comprehensive Income]	-	-	-	50	-	50	-	50
Result	-	-	-	-	(4,188)	(4,188)	(139)	(4,326)
Overall income	-	-	-	(635)	(4,188)	(4,822)	(190)	(5,013)
Change in structure	-	-	-	-	-	-	-	-
Liquidity contract	-	-	-	-	-	-	-	-
Other transactions	-	-	431	-	-	431	232	663
Situation at closure of 2021.02	**1,282**	**46,084**	**(1,835)**	**(594)**	**(4,188)**	**40,749**	**(67)**	**40,680**
Allocation of income for the 2021.02 financial year	-	(6,085)	1,897	-	4,188	-	-	-
Variation in exchange rates	-	-	-	525	-	525	42	567
Non-recyclable OCI [Other Comprehensive Income]	-	-	-	0	-	0	-	0
Result	-	-	-	-	(1,119)	(1,119)	113	(1,006)
Overall income	-	-	-	525	(1,119)	(593)	154	(439)
Change in structure	-	-	-	-	-	-	-	-
Liquidity contract	-	-	-	-	-	-	-	-
Other transactions	-	-	430	12	-	441	(230)	211
The situation at the end of the 2021.08 financial year	**1,282**	**39,999**	**492**	**(57)**	**(1,119)**	**40,596**	**(144)**	**40,452**

(*) 2020.02 figures restated following the correction described in note 6.7.1.3 of the 2020-21 DEU.

For S1 2021-22, the "Other movements" in reserves amounted to € 211,000. They mainly concern the allocation of free shares (€ 163,000) and changes in treasury shares (+ € 35,000).

Changes in exchange rates (€ 525,000) are mainly linked to the change in the financial receivable.

3.5. HALF-YEARLY CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	First Semester 2021/2022 (6 months)	First Semester 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Net income	(1,006)	(2,638)	(4,326)
Elimination of allocations for depreciation and provisions (including financial)	186	2,937	10,169
Capital gain or loss on disposal	371	24	148
Neutralisation of financial income (excluding depreciation and provisions)	2,792	644	489
Other income and expenses with no cash impact	2,119	(1,220)	653
Elimination of tax expense/income	(48)	(406)	(119)
Self-financing capacity	**4,414**	**(659)**	**7,014**
Tax paid	(33)	(124)	(158)
Variation in financial receivable	8,824	(4,017)	(14,881)
Variation in needs regarding the working capital	(14,333)	3,118	5,898
Grants received	400	0	0
Net cash flow from operational activities	**(728)**	**(1,682)**	**(2,127)**
Acquisition of intangible and tangible fixed assets	(1,665)	(2,868)	(4,268)
Securities representing participating interests	0	(439)	(440)
Impact of changes in structure	0	-	0
Sale of tangible and intangible assets	36	-	197
Variation in agreed loans and advances	(5)	(30)	(321)
Net cash flow related to (used in) investing activities	**(1,634)**	**(3,337)**	**(4,832)**
Dividends paid by the consolidating company	(175)	-	(175)
Capital increases (reductions)	-	-	-
Net disposal (acquisition) of treasury shares	1	22	63
Loan issuance	177	4,206	14,767
Loan repayments	(6,181)	(5,546)	(14,684)
Interest paid	(913)	68	(2,048)
Financial interest received	928	-	2,019
Factoring and other short-term financing	8,880	(199)	453
Net cash flow from (used in) funding activities	**2,717**	**(1,449)**	**395**
Impact of exchange rate variation	(1)	(183)	(149)
Cash flow change	**354**	**(6,651)**	**(6,714)**
Cash flow and cash equivalents at opening up of share capital	*3,066*	*9,779*	*9,779*
Cash flow and cash equivalents at balance sheet date	*3,420*	*3,128*	*3,066*

The net cash flow linked to operating activities is negative € (0.7) million, taking into account the sharp increase in Working Capital Requirements (WCR), and this mainly related to the increase in stocks in the context of shortages, which compensates for the positive cash flow generated over the half-year of € 4.4 million and the decrease in financial receivables of € 8.8 million, mainly related to the Blade outcomes. By incorporating the financial interest received within the framework of equipment rental contracts to customers, the net operating cash flow thus adjusted is + € 0.2 million.

Investments amount to € 1.7 million, mainly in the Group's datacentres.

Loan repayments are significant over the half-year (- € 6.2 million, mainly 2CRSi). The financing of the WCR was covered mainly by short-term financing such as factoring within the Boston sub-group.

On 31 August 2021, the Group had € 3.4 million in authorised overdraft lines (compared to € 3.2 million on 28 February 2021), used to the extent of € 1.7 million, as well as € 15.3 million in financing of commercial operations (compared to € 15.1 million in February 2021, including the BPI advance), used to the extent of € 13.4 million.

3.6. NOTES TO THE CONSOLIDATED HALF-YEARLY ACCOUNTS

Notes to the consolidated financial statements

3.6.1 OVERVIEW OF THE ACTIVITY AND KEY EVENTS

3.6.1.1 Information relating to the Company and their activity

2CRSi is a public limited company incorporated under French law, listed on Euronext Paris, compartment C. The Company and its subsidiaries are hereinafter referred to as “the Group” or “the 2CRSi Group”. The headquarters of the Company is located at 32, rue Jacobi Netter, 67200 Strasbourg, (France).
The consolidated half-yearly financial statements as of 31 August 2021 reflect the financial position of the Company and its subsidiaries.
The half-year shows a consolidated turnover for the Group of € 90.2 million.

With 21 offices and more than 50 distribution and resale partnerships, the Group directly or indirectly covers more than 50 countries. Over the first half of the year, the 2CRSi Group generated 87% of its sales outside France.

The Group posted a gross margin rate of 22.2% for the half-year, compared to 16.4% for the first half of 2020-21.External charges amounted to € (5.3) million, an increase compared to the first half of 2020-21, which was impacted by the effects of restrictions (marketing and travel costs fell sharply due to the pandemic).

Staff costs amounted to € (10.4) million, or 11.5% of the Group’s turnover, compared to € (8.5) million, i.e. 10.8% of turnover for the first half of 2020-21 defined by restriction on movement, and 12.0% for the whole of the 2020-2021 fiscal year. This rise reflects an overall increase in the workforce that is more sustained than the growth in activity over the half-year, with a strengthening of technical operational capacities. The workforce reached the level of 389 employees versus 373 at the end of February 2021 (+ 4,3%).

EBITDA stood at € 4.3 million. Depreciation and provisions are € (2.6) million. Compared to the first half of 2020-21, depreciation charges decreased by € 0.3 million and operating provisions increased by € 0.4 million.

Operating profit for the year was € 1.7 million, compared to € (2.1) million for the first half of 2020-21 and € 0.6 million for the previous year (12 months).

The financial result comes to € (2.8) million. This is impacted by the revaluation of financial debt items related to the Boston acquisition (revaluation of the put option debt and earn-out), which impacts the Group's financial income in application of IFRS rules in the amount of € (2.2) million and interest charges on borrowings of € (0.5) million.

The overall impact of income tax is € (0.4) million, the Group’s consolidated net income share is € (1.6) million for the year.

3.6.1.2 Important events

BLADE

The Blade Group, a PC cloud specialist for video game players, has been a long-standing customer of the Group, which 2CRSi has supported in its development since 2017 by providing it with a high-performance server infrastructure at reduced energy consumption.
The various contracts concluded with the Blade Group have concerned either the sale of servers with retention of title clauses until the equipment has been paid for, or the rental of servers with an option to purchase at the end of the contract. The equipment leased by 2CRSi has been partially financed through sale-leaseback contracts with banking establishments.
Over the 2020-21 fiscal year, sales with the entire Blade group amounted to € 17.9 million, mainly for deliveries to the United States.
On 2 March 2021, Blade went into receivership. On 1 March 2021, its American subsidiary, Blade Global Corp., was placed under "Chapter 11" protection of the United States of America Bankruptcy Law.
Since these announcements, the two companies have continued their activity while a disposal plan is put in place and a possible buyer is chosen.
On 30 April 2021, the Paris Commercial Court appointed the company hubiC, owned by Octave and Miroslaw Klaba, as the sole buyer of the Blade SAS activity. The court approved the plan to sell part of the assets used by Blade SAS, noting the settlement commitments in the amount of € 10.5 million excluding tax by hubiC to 2CRSi. This sum was actually received in full on 17 May 2021. The court also confirmed the principle of restitution of the equipment delivered by 2CRSi to Blade after 1 January 2020.
By decision of 3 May 2021, the United States Bankruptcy Court of California authorised the sale of part of the assets held by Blade Global Corporation to a US entity dependent of hubiC. The 2020 equipment owned by 2CRSi is excluded from this sale, its recovery from different datacentres started in May and should take several weeks. At the date of closing the accounts, the recovery of equipment in the various datacentres, mainly in the United States, is still in progress and hubiC is considering extending the rentals of certain equipment.
In addition, 2CRSi submitted a demand on 10 May with a view to obtaining the payment of all or part of its claims as part of the liquidation of Blade Global Corporation and a request is in progress to obtain the payment of the rents due to 2CRSi for the period after the bankruptcy filing in the context of the continuation of the activity.

The impacts on 2CRSi's consolidated accounts on 28/02/21 were as follows:

1. In 2019, 2CRSi participated in the Blade SAS capital increase by investing € 2 million by offsetting receivables. Taking into account Blade's entry into bankruptcy proceedings, this investment was fully depreciated at the end of February 2021.

2. Regarding receivables relating to contracts prior to 31/12/2019 (equipment acquired by hubiC), 2CRSi had negotiated a rescheduling agreement for trade receivables with the Blade Group at the end of 2019.The balance of this receivable amounted to € 11.3 million (including tax) as of 28 February 2021, compared to € 16.1 million as of 29 February 2020. With the initiation of insolvency proceedings, this receivable became payable at the start of the 2021/2022 financial year and was therefore presented as a current financial receivable. The price paid by hubiC in exchange for this equipment (€ 10.5 million net, € 12.6 million gross) fully compensates for the impact of the cancellation of these rescheduled receivables and the residual finance lease receivable for equipment delivered before 1 January 2020 (€ 0.7 million as of 28 February 2021). The financing obtained by 2CRSi from funding bodies for the equipment taken over by hubiC has been reimbursed. At the end of February 2021, the total amount of debt recognised under financing contracts for this equipment was € 2.8 million including tax.

3. With respect to rental contracts entered into after 1 January 2020, Blade is not the owner of the rented goods. In its agreement with 2CRSi, hubiC has undertaken to facilitate the return of this equipment, most of which is located in the United States. The financial receivable associated with this equipment delivered after 1 January 2020 amounted to € 15.6 million as of 28/02/2021 (for a total financial receivable related to Blade under finance leases of € 16.3 million). At the end of February, the Company had assessed the value of the financial receivable on the balance sheet by comparing with the market value of these assets, after deduction of the cost of recovering and restoring these materials. Given the uncertainties and fluctuations in the market, a depreciation of the financial receivable of € 2.5 million was recorded as of 28/02/2021. During the first half of the year, the equipment taken back was recorded in stock, and accounted for based on the lower value between the amount of the financial receivable and the estimated remarketing value net of marketing

costs. The financial claim has thus been written off. At this stage, the company considers that, taking into account the current period of shortage of computer components, the equipment concerned will be either resold or operated by 2CRSi under satisfactory market conditions that make it possible to cover the value of the constituted stock (€ 13.1 million). In addition, the stocks related to the current order of Blade and not delivered consist of non-specific material that is easily marketable to other customers. This material has been used at the time of writing this report. Taking into account the cash received over the period as part of the legal proceedings, the net impact on 2CRSi's income statement for the half-year is positive. In the presentation of the consolidated accounts, all the impacts on the income statement were considered in other operating cost income for a net positive amount of € 818,000. In summary, the balance sheet positions linked to the Blade Group at the end of August 2021 in the 2CRSi consolidated accounts are as follows:

In Thousands of Euros - as of 31 August 2021	Assets			Liabilities
	Gross value	Amortisation Depreciation	Value Net	
1) Under contracts prior to 31 December 2019				
Receivables related to shareholdings/Financial receivables	0	0	0	-
2) Under contracts after 1 January 2020				
Stocks	13,076	-	13,076	-
Debts under financing contracts	-	-	-	1,592
3) Other items				
Equity securities	2,038	(2,038)	0	-
Total	**15,114**	**(2,038)**	**13,076**	**1,592**

Taking into account the collections made and the cautious position adopted on 28 February 2021, the impacts of the Blade Group's receivership on the income statement for the first half of 2021/22 are as follows:

	In thousands of euros
Impact on operating profit	**818**
Impact on the financial result	**0**

Finally, in the context of the liquidation of Blade SAS in France and Blade Global Corporation in the United States, 2CRSi hopes to obtain financial compensation of several million Euros. Taking into account the probable delay for the implementation of the liquidation and the uncertainty on the amount that the liquidators will be able to repay to 2CRSi, no income was recorded in this respect in the 2CRSi accounts as of 31 August 2021.

CREATION OF A "GREEN" DATACENTRE AND PREPARATION OF A TECHNOLOGY CAMPUS PROJECT IN ROUSES POINT, STATE OF NEW YORK (USA)

On 17 May, 2CRSi announced the choice of Rouses Point, in the State of New York, to establish a campus and a "green" datacentre in the United States.

The technology campus is set to become the 2CRSi expertise centre in the United States, bringing together the production of computer equipment, sales, training, research and development and support functions, as well as a datacentre providing customers with green hosting services.

Strategically located at the entrance to the Quebec-New York corridor between New York and Montreal, the former Pfizer production site in Clinton County, just 800m from the Canadian border, is being rehabilitated by ERS Investors and will be specifically developed by 2CRSi for its project.

2CRSi and ERS plan to build a campus fully integrated into the local economic fabric, creating jobs and forging partnerships with surrounding universities. The Group is currently working on a solution to reuse heat from servers for nearby homes and businesses.

With access to green and affordable electricity, the first phase of the production site and datacentre design offers an initial electrical capacity of several megawatts. Customers can also benefit from substantial savings in operational costs through the use of the most advanced cooling solutions on the market. 2CRSi and ERS have already jointly invested over $ 12 million in the project and plan to invest an additional $ 8 million. This will allow 2CRSi to start production and offer new green IT services to its customers. Together, they will equip the campus with a 100 Gbps broadband network, attracting production and data processing companies to what will become the future jewel of the Northeast. Finally, the 2CRSi campus will be an illustration of ERS standards in terms of sustainable development and good sustainable production practices.

3.6.1.3 Post-closing events

2CRSi has taken the decision to renew its various PGE (State Guaranteed Loan) contracts; these renewals were carried out at the start of the second semester of 2021/22.

3.6.1.4 General principles

The financial statements are presented in thousands of euros unless otherwise indicated. Rounding is done for the calculation of certain financial data and other information contained in these accounts. As a result, figures shown as totals in some tables may not be the exact sum of the figures preceding them.

3.6.1.4.1 Baseline

DECLARATION OF CONFORMITY

These consolidated accounts were drawn up on 31 August 2021 in accordance with the IFRS (International Financial Reporting Standard), as adopted in the European Union.
This standard, available on the European Commission website (https://ec.europa.eu/info/index_fr), incorporates the international accounting standards (IAS and IFRS), the findings of the Standard Interpretations Committee (CIS) and the International Financial Reporting Interpretations Committee (IFRIC). These principles do not differ from IFRS standards as published by the IASB insofar as the texts published by the IASB but not yet adopted by the European Union have no significant impact on the 2CRSi Group.
The general principles, accounting methods and options used by the Group are described below.

PRINCIPLE OF PREPARATION OF FINANCIAL STATEMENTS

The Group's consolidated accounts have been drawn up according to the principle of historical cost, with the exception of certain categories of assets and liabilities in accordance with the provisions laid down by the IFRS: employee benefits valued using the projected credit method, borrowings and financial debts valued using the amortised cost method, and derivative financial instruments recorded at fair value.

BUSINESS CONTINUITY

The Group has cash of € 3.4 million (€ 3.1 million as of 28 February 2021). At the end of August 2021, the Group was not in compliance with certain financial ratios agreed in the contract for a senior loan with an outstanding balance of € 9 million on the date of publication of the half-year accounts. The bank has since confirmed its waiver of the early repayment of the debt. As of 29 November, the Group's cash amounted to € 1.3 million to which is added the mobilisable financing lines of € 5.3 million (bank overdraft, undrawn short-term credit lines and BPI advance).
The financial statements have been drawn up according to the going concern principle, in particular on the basis of:
• the cash available on the date of publication of the half-year accounts
• and cash flow forecasts for contracts in progress and contracts under negotiation. These cash flow forecasts are by nature subject to contingencies, particularly during a period of global crisis such as that linked to the Covid-19 pandemic.
In the current context of a global shortage of electronic components, the 2CRSi Group is confident that discussions will soon be finalised with several customers interested in rapidly acquiring or leasing the material recovered from Blade which is immediately or almost immediately available.
In addition, given the confidence of the Group and financial investors in the soundness of its financial model, the 2CRSi Group does not anticipate any particular difficulty in resorting to additional short, medium or long term financing if necessary.

ACCOUNTING POLICIES

The half-year consolidated interim financial statements as at 31 August 2021 have been prepared in accordance with IAS 34 - Interim financial reporting. They do not contain all of the information required for complete annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 28 February 2021. The accounting principles used for the preparation of the half-year consolidated financial statements are identical to those used for the fiscal year ended 28 February 2021, except for the following changes in standards, mandatory from 1 January 2021 and not applied in advance:

• **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 as part of the benchmark interest rate reform.** These amendments, approved by Europe on 13 January 2021, complement those published in 2019 and aim to help companies provide investors with useful information on the effects of the reform in their financial statements.

The above-mentioned amendments have no significant impact on the Group's consolidated financial statements.

The Group does not apply the following non-mandatory texts as of 28 February 2021:

· **Amendments to IAS 1 - Presentation of Financial Statements:** classification of liabilities as current or non-current (published in January 2020). The purpose of these amendments is to postpone the effective date of the amendments to IAS 1 concerning the classification of current and non-current liabilities to fiscal years beginning on or after 1 January 2023, subject to its adoption by Europe.

· **Amendments to IFRS 3, IAS 16, IAS 37, and annual improvements 2018-2020** (published on 14 May 2020) relating to minor changes aimed at clarifying or correcting minor consequences between the provisions of the standards.

Amendments to:

· **IFRS 3** update of a reference in the standard to the conceptual framework,

· **IAS 16** prohibition of an enterprise from deducting amounts received from the sale of items produced while the enterprise is preparing the asset from the cost of property, plant and equipment

· **IAS 37** specification of which costs a company records in its accounts when it assesses that a contract is onerous.

These amendments will apply from 1 January 2022, subject to their adoption by Europe.

· **Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors"** (published 12 February 2021) aimed at facilitating the distinction between accounting policies and accounting estimates. The amendments will be applicable prospectively from the financial years beginning on 1 January 2023.

· **Amendments to IFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021" (published on 31 March 2021).** These amendments allow lessees to be relieved of having to assess whether or not certain rent relief granted as a direct result of the covid-19 pandemic constitute lease amendments, and to treat them as if they were they were not lease modifications.

3.6.1.4.2 Use of judgments and estimates

In order to prepare the financial statements in accordance with IFRS, management uses estimates and judgments in the application of IFRS accounting methods. These judgments or estimates have an impact on the amounts of assets and liabilities, contingent liabilities at the date of preparation of the financial statements, and the amounts presented for income and expenses for the year.

These estimates are based on the assumption of business continuity and are produced on the basis of the information available at the time of their establishment. They are continuously assessed on the basis of past experience as well as various other factors deemed reasonable which form the basis of the assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change, or as a result of new information. Actual performance could differ materially from these estimates, depending on different assumptions or conditions.

The impact of these changes in the estimate is accounted during the period, or over the subsequent periods affected.

The significant estimates used for the preparation of the financial statements relate mainly to:

· Valuation of capitalised development costs (3.6.5.1);

· Recognition of rental contracts as revenue when control of goods is transferred and valuation of the associated revenue (discount rate, duration of the contract, etc.) (note 3.6.4.1);

· Fair value measurement of debts to minorities recognised in the context of business combinations (note 3.6.5.9);

· Assessment of the right to use the Rouses Point site and the associated financial debt (note 3.6.5.2);

· Assessment of the recoverability of deferred tax assets (note 3.6.4.7).

· These assumptions, which underlie the main estimates and judgments, are described in the accompanying notes to these financial statements.

3.6.2 CONSOLIDATION STRUCTURE

3.6.2.1 Accounting principles related to the scope

PRINCIPLES OF CONSOLIDATION

The Group applies the standards IFRS 10, "Consolidated financial statements", IFRS 11, "Joint arrangements" and IFRS 12, "Disclosure of interests held in other entities".
IFRS 10, which deals with the recognition of consolidated financial statements, presents a unique consolidation model which identifies control as the criterion to be met in order to consolidate an entity. An investor exercises control over an entity held when they have power over that entity, when they are exposed to the variable returns of the entity, or if they have the rights to these variable returns by virtue of their involvement in that entity, and if they have the ability to use their power over the entity to influence the amount of those returns.
Subsidiaries are the entities over which the Group exercises control. They are fully consolidated from the date on which the Group obtains control, and are deconsolidated from the date on which they cease to be controlled by the Group. Intragroup balances and transactions are eliminated.
The parent company 2CRSi SA exercises control over the companies 2CRSi Corporation, Boston France SàRL (ex-Adimes), 2CRSi Ltd, 2CRSi UK Ltd, 2CRSi ME FZE, Green Data SAS, 2CRSi London Ltd, Boston Ltd, Boston Server & Storage Solutions GmbH, Escape Technology Ltd, Boston IT Solutions Australia Pty Ltd, Escape Technology GmbH, Boston SàRL, 2CRSi BV, 2CRSi Belgium SRL and Boston IT Solutions South Africa Pty Ltd.

CONSOLIDATION OF BOSTON LTD

The Group has held exclusive control of Boston Limited since 18 November 2019 following the acquisition of 70% of the shares of this company. Consequently, Boston Limited has been fully consolidated since its takeover date, which leads to the recognition of Boston's assets and liabilities at 100% on the basis of their fair value as of 18 November 2019.
Since minority shareholders do not have access to dividends, Boston Ltd's income is recorded at 100% Group share. Following the definitive allocation of the acquisition price of Boston Ltd, the definitive goodwill amounts to € 5.5 million.

CONVERSION OF SUBSIDIARY FINANCIAL STATEMENTS

Items included in the financial statements of each of the Group's entities are valued using the currency of the main economic environment in which the entity operates ("working currency").
The Group's financial statements are prepared in Euros, the reporting currency of the consolidated financial statements and the working currency of the Company.
The financial statements of foreign companies, whose working currency is not the Euro, are converted into Euros as follows:

· At the closing price in effect at the end of the period for assets and liabilities;
· At the average exchange rate for the period for the income statement.

Conversion differences resulting from the application of this method are recognised in consolidated equity under "Other overall income".

The rates used for the conversion of foreign currencies are presented below:

		31/08/2021		31/08/2020		28/02/2021	
	€ 1 equals	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
US Dollar	USD	1.1834	1.1944	1.1828	1.1940	1.2121	1.1601
Pound sterling	GBP	0.8588	0.8591	0.9008	0.8960	0.8705	0.8955
United Arab Emirates Dirham	AED	4.3375	4.3775	4.1648	4.4382	4.4339	4.2777
Australian dollar	AUD	1.6156	1.5741	1.6432	1.6214	1.5605	1.6456
Singapore dollar	SGD	1.5897	1.6022	N.A.	N.A.	1.6106	1.5906

Source: Bank of France
N/A: Not applicable

CONVERSION OF TRANSACTIONS IN FOREIGN CURRENCY

Transactions carried out by consolidated companies and denominated in a currency other than their working currency are converted at the exchange rate in force on the date of the various transactions.
Trade receivables, trade payables and payables denominated in a currency other than the working currency of the entities are converted at the exchange rate in effect on the closing date. Unrealised capital gains and losses resulting from this conversion are recognised in operating income.

Exchange gains and losses resulting from the conversion of intragroup transactions or receivables and payables denominated in a currency other than the working currency of the entities are recognised in profit or loss.

3.6.2.2 Consolidation structure

As of 31 August 2021, the Group consisted of 18 entities, all fully consolidated except 2CRSi BV, 2CRSi Belgium and Boston South Africa whose contributions to the consolidated result and balance sheet were taken into account through the companies 2CRSi SA and Boston Ltd:

Companies	Country	% holding	Group control (%)	% interest
2CRSi SA	France		Parent company	
2CRSi Corporation	United States	100%	Subsidiary Company 100%	100%
Boston France SàRL (ex-Adimes)	France	100%	Subsidiary Company 100%	100%
2CRSi Ltd	United Kingdom	100%	Subsidiary Company 100%	100%
2CRSi UK Ltd	United Kingdom	80%	Subsidiary Company 100%	80%
2CRSi ME FZE	Dubai	100%	Subsidiary Company 100%	100%
Green Data SAS	France	55%	Subsidiary Company 100%	55%
2CRSi London Ltd	United Kingdom	100%	Subsidiary Company 100%	100%
Boston Ltd	United Kingdom	70%	Subsidiary Company 100%	100%
Boston Server & Storage Solutions GmbH	Germany	70%	Subsidiary Company 100%	100%
Escape Technology Ltd	United Kingdom	70%	Subsidiary Company 100%	100%
Escape Technology GmbH	Germany	70%	Subsidiary Company 100%	100%
Boston IT Solutions Australia Pty Ltd	Australia	70%	Subsidiary Company 100%	100%
Boston SàRL	France	50%	Subsidiary Company 100%	50%
2CRSi BV	Netherlands	100%	Subsidiary Company 100%	100%
2CRSi Belgium SRL	Belgium	100%	Subsidiary Company 100%	100%
2CRSi Singapore Pte. Ltd	Singapore	100%	Subsidiary Company 100%	100%
Boston IT Solutions South Africa Pty Ltd	South Africa	70%	Subsidiary Company 100%	100%

2CRSi Ltd, (Registration number: 11283455) and2CRSi London Ltd (Registration number: 12301597), both 100% subsidiaries of 2CRSI SA have opted for the audit exemption under section 479a of the Companies Act 2006

3.6.3 SECTORIAL INFORMATION

IFRS 8 “Operating sectors” has led the Group to present only the activity “sale of components and/or finished products”. The breakdown of turnover by geographic area is presented in section 3.6.4.1.
The breakdown by geographic area of non-current assets is as follows:

Non-current assets (excluding deferred taxes)	31/08/2021 €k			28/02/2021 €k		
	Hors France	France	Total	Hors France	France	Total
Goodwill	7,671	200	7,871	7,563	200	7,763
Intangible fixed assets	13,147	2,694	15,840	13,260	2,381	15,641
Property, plant and equipment	4,512	16,710	21,223	3,915	18,271	22,186
Financial offsetting receivables	324	6,364	6,687	717	6,446	7,163
Other financial assets excluding deferred taxes	0	1,400	1,400	0	1,401	1,401
Total non-current assets (excluding deferred taxes)	**25,564**	**27,368**	**53,021**	**25,454**	**28,699**	**54,153**

3.6.4 NOTES TO THE INCOME STATEMENT

3.6.4.1. Income from ordinary activities

Except for its finance lease activity, the Group applies IFRS 15 for the recognition of its income from normal activities. As such, they are recognised when the Group fulfils a service obligation by transferring a promised good or service to a customer. An asset is transferred when the customer takes over control of the asset.
Regarding their server lease funding business, the Group applies IFRS 16 and, in particular, the rules relating to manufacturer distributors; it therefore presents the rental income as revenue and the production cost as an expense at the date of commencement of the rental contract.

The Group derives its revenue from the following main sources:
- sale of servers;
- sale of components;
- server funding leases;
- sale of services for which the duration of the contracts is less than twelve months and hosting services.

FINANCE LEASE OPERATIONS

During the first half of 2021, all finance leases with the client Blade were settled following its receivership (see above).

Other finance leases were signed as part of the Group's development in the United States, for an amount of new contracts of € 7.602 million. The financial receivable related to these operations amounts to € 11.615 million, compared to € 24.221 million as of 28 February 2021.

The net financial expense relating to 2CRSi finance leases amounted to € (110,000) over the half-year (€ 211,000 in costs and € 101,000 in income), and was recognised in the financial result. As of 28 February 2021, the Group had recognised a net financial expense of € 323,000.

BREAKDOWN OF TURNOVER

As of 31 August 2021, the Group achieved a turnover of € 90.2 million, broken down as follows:

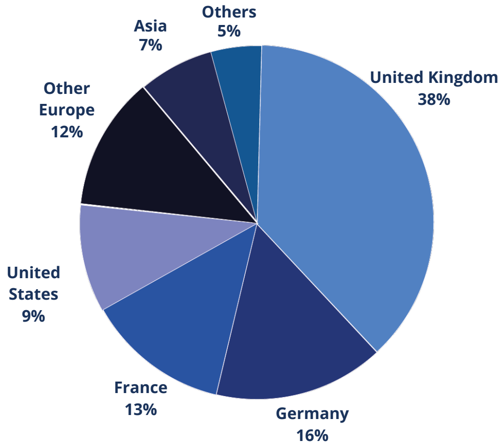
Breakdown of turnover (Amounts in € k)	31/08/2021 6 months	28/02/2021 12 months	Accounting period
Delivery of equipment	78,350	128,388	The turnover relating to the delivery of equipment is recognised when the control of the equipment is transferred to the customer, i.e. on delivery.
Financial leasing	7,602	26,180	Turnover relating to finance leases is recognised when control of IT equipment is transferred to the customer, i.e. when the equipment is delivered. *(1)*
Other service provisions	4,290	8,771	The turnover relating to the provision of services is recognised progressively, as the service obligation is fulfilled.
Total	**90,242**	**163,339**	

(1) 2CRSi used the effective date of the contract to deliver the equipment to the datacentre, regardless of the actual date of commissioning of the equipment. This date corresponds to the date on which the asset is made available to the lessee in accordance with IFRS 16.

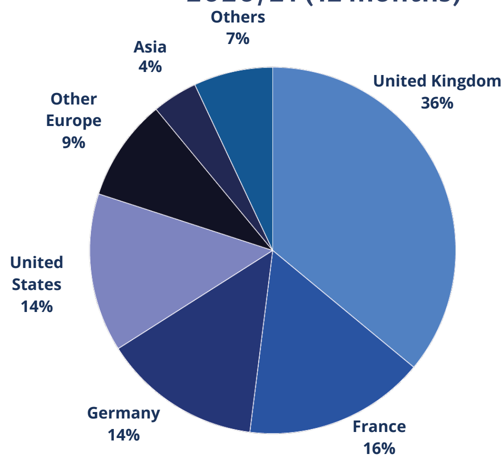
The breakdown of turnover by type of activity and by geographical area is as follows:

BREAKDOWN OF TURNOVER BY PLACE OF DELIVERY

2021/2022 (First semester)

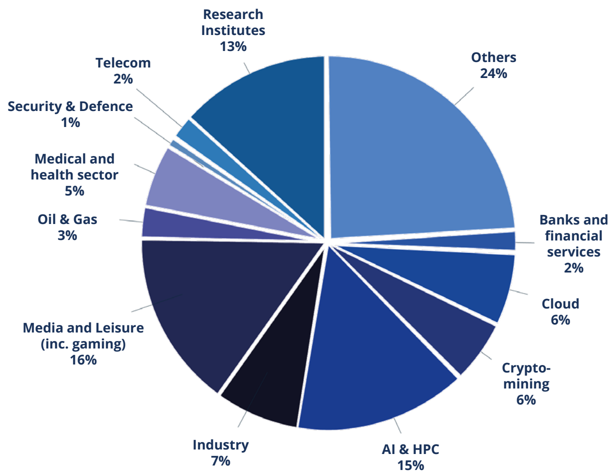


2020/21 (12 months)

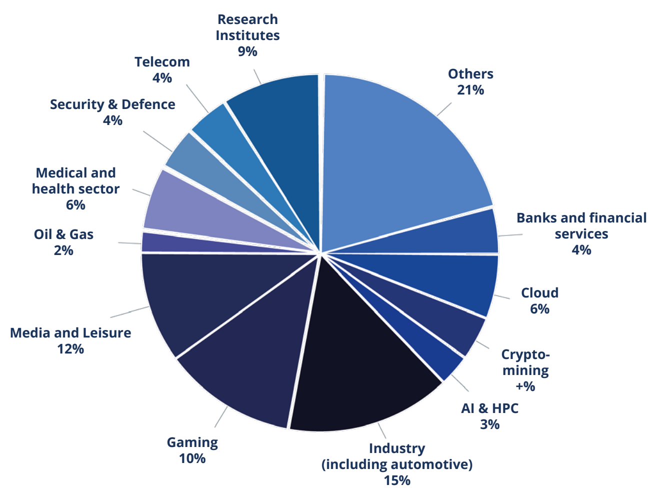


BREAKDOWN OF TURNOVER BY BUSINESS SECTOR

2021/2022 (First semester)



2020/21 (12 months)



3.6.4.2. Other current operating income

Other current operating income (Amounts in € k)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Research tax credit	116	98	233
Production transferred to inventory	-1,100	1,123	3,119
Blade net income	818	-	-
Others	28	56	525
Total	**(138)**	**1,277**	**3,877**

The variation in stored production comes mainly from work in progress which was extensive at the end of February 2021. The Blade net income corresponds to the net impact of the write-offs of Blade-related accounting positions and cash receipts incoming during the year.

3.6.4.3. Purchases consumed and external charges

Consumables purchased (Amounts in € k)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Change in stocks of goods and raw materials	12,478	4,110	(6,588)
Purchases of goods and raw materials	(82,664)	(69,554)	(122,901)
Exchange gains and losses	0	(142)	(218)
Total	**(70,187)**	**(65,587)**	**(129,707)**

External costs (In thousands of euros)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
External services	(4,191)	(3,779)	(8,579)
Others	(1,114)	(371)	(847)
Total	**(5,305)**	**(4,150)**	**(9,426)**

The change in inventory is mainly explained by the effects of the shortage of electronic components. The launch of certain productions or deliveries is delayed when certain components are not available; some supplies are therefore made in advance. The availability of stocks is an opportunity in the context of a component shortage. See note 3.6.5.5.

External charges for external services include travel costs of € 1 million (+ 53% compared to S1 2020, due to Covid), fees of € 0.7 million, rentals and related charges of € 0.9 million and insurance costs of € 0.3 million.

Other external charges include in particular the electricity costs of the Green Data subsidiary, which is increasing sharply given the development of the business.

3.6.4.4. Workforce and payroll

Payroll (Amounts in € k)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Gross compensation	(8,035)	(7,272)	(13,949)
Social security charges	(1,995)	(1,775)	(4,361)
Other personnel costs (including capitalized production)	(363)	577	(1,224)
Total	**(10,393)**	**(8,471)**	**(19,534)**

The other personnel costs are linked to the AGA and BSPCE plans (- € 165,000), to pension commitments (- € 74,000) and other benefits mainly in the Green Data subsidiaries and in Germany.

The workforce by function and by country breaks down as follows:

Headcount	31/08/2021	31/08/2020	28/02/2021
Operations	119	103	109
Relations clients, sales & marketing	172	142	171
R&D	29	30	28
Support functions	69	71	65
Total	**389**	**346**	**373**

Headcount	31/08/2021	31/08/2020	28/02/2021
France	141	122	136
united States	14	13	12
United Kingdom	178	160	168
Dubai	8	8	8
Germany	44	41	44
Australia	1	2	2
Others	3	0	3
Total	**389**	**346**	**373**

The average workforce for the semester amounted to 381 people.

3.6.4.5. Operational performance

The Group has chosen to present EBITDA ("*Earnings Before Interests, Taxes, Depreciation and Amortization*") to facilitate the reader's analysis. EBITDA is not a standardized indicator under IFRS and is not an accounting measure of the Group's financial performance. It must be considered as additional information, not substitutable for any other operational and financial performance measure of a strictly accounting nature, as presented in the Group's consolidated financial statements and their accompanying notes.

EBITDA is defined as operating income before depreciation allocations and provisions and other current and non-current expenses and income. Non-current income and expenses include, in particular, depreciation of intangible assets, restructuring costs and costs relating to staff adaptation measures.

The change in EBITDA over the 2 financial years is as follows:

EBITDA (Amounts in € k)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Operating income	**1,730**	**(2,094)**	**569**
Net depreciation allocations and provisions	2,571	3,235	6,575
Other current income and expenses	(50)	0	216
Other non-current income and expenses	-	-	-
EBITDA	**4,251**	**1,141**	**7,361**
EBITDA margin rate on turnover	4.7%	1.5%	4.5%

Other current income and expenses for the year mainly include capital gains on the disposal of fixed assets entering into the Group's current activity.

Depreciation, amortisation and net provisions break down as follows:

Net depreciation allowance and provisions (Amounts in € k)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
	Total	Total	Total
Net provisions allocations	(28)	(421)	(1,338)
Net depreciation allocations	(1,342)	(1,403)	(2,324)
Depreciation of rights of use	(1,200)	(1,411)	(2,914)
Total	**(2,571)**	**(3,235)**	**(6,575)**

As of 28 February 2021, the allocations to net provisions were € 213,000 for operating provisions and € 1.125 million for allowances net of depreciation of tangible assets, mainly on inventories. This provision mainly concerned Boston Limited.

3.6.4.6. Financial income

Financial income and expenses (Amounts in € k)	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Cost of gross financial debt	**(2,967)**	**(1,377)**	**(2,491)**
Other net financial income	174	428	2,001
Net allocations to financial provisions	8	-	(4,525)
Financial income	**(2,784)**	**(950)**	**(5,015)**

The financial result includes:
· The cost of debt;
· The impact of the accretion and revision of debts related to the Boston acquisition (see 3.6.5.9);
· Financial products linked to the finance lease of servers
· The effects of changes in exchange rates of the Group's currencies.

3.6.4.7. Income tax

Income tax corresponds to the cumulative tax payable by the various companies in the Group, adjusted for deferred taxation. Tax is registered in profit or loss, except if it relates to items that are registered in other comprehensive income, or directly in shareholders' equity. It is then also registered in other comprehensive income or in shareholders' equity.
Deferred taxes are measured using the balance sheet approach at the amount that the entity expects to pay or recover from tax administrations. Where applicable, the deferred taxes thus determined are influenced by any change in the tax rate, adopted or almost adopted, at the balance sheet date of the financial statements.

A deferred tax asset is recorded if the following conditions are met:

· The entity has sufficient taxable temporary differences with the same tax authority and the same taxable entity or the same tax group that will generate taxable amounts, against which tax losses and unused tax credits can be charged before they do not expire;

· It is probable that the entity will generate taxable profits before the expiration of tax losses or unused tax credits;

· Unused tax losses result from identifiable causes which are unlikely to recur;

· Opportunities related to the entity's tax management will generate taxable profit during the year in which tax losses or unused tax credits can be charged.

DEFERRED TAX ASSETS AND LIABILITIES

The tax rate applicable to the Company for the current financial year is the rate in force in France, i.e. 26,5% up to € 250,000 and 27.5% for the remainder. The rates applied over the following years are 25%.

2CRSi ME FZE is tax-exempt, being located in a free zone of Dubai.

For other companies, the applicable rates are:

• 29.84% for the United States

• 19% for the United Kingdom

• 15.83% for Germany

• 27.5% for Australia

• 17% for Singapore

Tax details (Amounts in € k)	First Semester 2021/2022	Financial year 2020/2021
	6 months	12 months
Net income	(1,006)	(4,326)
Consolidated tax	48	119
Income before taxes	**(1,054)**	**(4,445)**
The current tax rate in France	28%	28%
Theoretical tax charge at the current rate in France	**295**	**1,245**
Implications for theoretical tax:		
Permanent differences	(234)	(754)
Rate impacts	-	200
Impact of unallocated deficits	(232)	(729)
Tax credit	32	58
Others	186	99
Actual income tax expense (positive if in profit)	**48**	**119**

3.6.4.8. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to holders of Group shares by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the income to allocate to holders of ordinary shares and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. For the calculation of the diluted earnings per share, the 2017 ADPs have not been taken into account because there is no automatic or simple decision mechanism for holders of these ADP to convert them into shares.

The table below shows the calculation of consolidated net income per share:

Basic earnings per share	First Semester 2021/2022 (6 months)	Financial year 2020/2021 (6 months)	Financial year 2020/2021 (12 months)
Group share of income (in € k)	(1,119)	(2,531)	(4,188)
Weighted average number of ordinary shares outstanding	14,243,430	14,243,430	14,243,430
Basic earning per share (EUR/share)	**(0.08)**	**(0,18)**	**(0.29)**
Weighted average number of shares outstanding	17,556,894	14,525,983	15,121,202
Diluted earnings per share (EUR/share)	**(0.08)**	**(0,18)**	**(0.29)**

The weighted average diluted number of shares outstanding takes into account free shares and BSPCEs in the process of being acquired over the period.

3.6.5. NOTES ON THE BALANCE SHEET

3.6.5.1. Intangible assets and goodwill

The 2018 acquisition of Tranquil PC Ltd (currently 2CRSi UK Ltd) generated the recognition of goodwill which became definitive during the 2019-20 financial year in the amount of € 2.055 million. The Group acquired a 70% stake in Boston Ltd on 18 November 2019. The definitive goodwill recognised at the closing rate amounts to € 5.630 million, compared to € 5.549 million as of 28 February 2021.

Intangible assets include:

· Development costs
· Software licences

In accordance with the IAS 38 standard, development costs incurred by the Group must be capitalised when the following criteria are met:

· The Group has the intention and the technical capacity to bring the development project to fruition;
· There is a high probability that the future economic benefits arising from the development expenditure will accrue to the company, which is generally supported by the existence of orders or contracts;
· Costs can be measured reliably;
· The Group has the ability to use or sell the intangible asset;
· The Group has the necessary resources to complete the project.

Development costs that do not meet the above criteria and research costs are recorded in the income statement as an expense for the year during which they are incurred.
The cost of acquiring software licences is capitalised on the basis of the cost of acquisition and the cost of installation. These costs are amortised over the estimated life of the software.

Intangible assets are amortized using the straight-line method over their estimated useful life and are presented below:

· Development costs: 3 to 5 years
· Software licences: 1 to 6 years
· Customer base: 7 years

The tables below illustrate the movements that occurred during the year:

Gross values (Amounts in € k)	28/02/2021	Variation in structure	Acquisitions	Disposals	Reclassifications	Conversion differences	31/08/2021
Development costs	3,098	-	-	-	1	-	3,099
Concessions, patents & similar rights	353	-	-	-	-	-	353
Software	295	(0)	121	(79)	-	-	337
Brand	10,012	-	11	-	-	136	10,159
Customer base	3,874	-	-	-		53	3,927
Other intangible fixed assets	7	-	-	-	-	-	7
Intangible fixed assets in progress	901	-	528	-	-	-	1429
Total non-current assets	**18,540**	**(0)**	**660**	**(79)**	**1**	**189**	**19,310**

Amortization and depreciation (Amounts in € k)	28/02/2021	Variation in structure	Grants/ Subsidies	Disposals	Reclassifications	Conversion differences	31/08/2021
Amortization/Depreciation of development costs	(1,783)	-	(201)	-	(1)	-	(1,985)
Amortizations/Depreciation concessions, patents & similar rights	(244)	-	(26)	-	-	-	(270)
Software amortizations/ depreciation	(156)	-	(54)	-	-	-	(210)
Amortizations/depreciation customer base	(709)	-	(280)	-	-	(10)	(999)
Amortization / Depreciation of other intangible assets	(7)	-	-	-	-	-	(7)
Total non-current assets	**(2,899)**	-	**(561)**	-	**(1)**	**(10)**	**(3,470)**
Net book value	**15,641**	**(0)**	**99**	**(79)**	**0**	**179**	**15,840**

Acquisitions for the year mainly correspond to the activation of development costs.

3.6.5.2. Property, plant and equipment

Tangible fixed assets are valued at their acquisition cost less accumulated depreciation and any impairment losses. Subsequent expenses are included in the book value of the asset or, where applicable, registered as a separate asset, whether it is probable that the future economic benefits associated with the asset will flow to the Group, and that the cost of the asset can be measured reliably. All repair and maintenance costs are expensed.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

- General installations, fixtures and miscellaneous fittings: 8 to 10 years
- Technical installations: 9 to 20 years
- Industrial equipment and tools: 5 to 10 years
- Transport equipment: 5 years
- Office and IT equipment: 3 to 5 years
- Furniture: 8 to 10 years

The residual values, useful life, and depreciation methods of assets are reviewed at each annual closing and modified, if necessary, on a prospective basis.

The costs of acquiring fixed assets are expensed.

The table below shows the transactions of tangible fixed assets during the financial year.

Property, plant and equipment

Gross values (Amounts in € k)	28/02/2021	Variation in structure	Acquisitions	Disposals	Reclassifications	Conversion differences	Other transactions	31/08/2021
Land and land improvements	856	-		-	-	12	-	(868)
Buildings	1,930	-	144	-	-	24	-	2,089
Other tangible fixed assets	6,868	-	277	(1)	-	25	-	7,169
IT, office and transport equipment	1,627	-	168	(60)	-	6	-	1,741
Right of use (real estate leases)	19,992	-	486	(920)	-	40	(189)	19,409
Intangible assets in progress	375	-	415	-	-	3	-	793
Total non-current assets	**31,647**	**-**	**1,490**	**(981)**	**-**	**109**	**(189)**	**32,077**

Amortization and depreciation (Amounts in € k)	28/02/2021	Variation in structure	Grants/ Subsidies	Disposals	Reclassifications	Conversion differences	Other transactions	31/08/2021
Amortization/Depreciation of land and land improvements	(3)	-	(2)	-	-	-	-	(5)
Amortization/ Depreciation of buildings	(226)	-	(69)	-	-	(1)	-	(297)
Amortization / Depreciation of other tangible assets	(1,428)	-	(485)	48	-	(20)	-	(1,885)
Amortization/ Depreciation of office supplies and IT equipment	(1,582)	-	(350)	-	-	(3)	-	(1,935)
Amortization/ Depreciation of transport equipment	(187)	-	(57)	59	-	(1)	-	(187)
Amt/Dep. right of use (real estate leases)	(6,035)	-	(1,066)	581	-	(26)	-	(6,546)
Total non-current assets	**(9,461)**	**-**	**(2,029)**	**687**	**-**	**(51)**	**-**	**(10,854)**
Net book value	**22,187**	**-**	**(539)**	**(294)**	**-**	**58**	**(189)**	**21,223**

Acquisitions for the period include the costs of fitting out the datacentres for the Rouses Point site in the United States. Usage rights increased by € 0.5 million, mainly relating to the rental debt for the Rouses Point datacentre.
It is established on the basis of the end date of contractual obligations with current customers of the datacentre.

The reduction in usage rights relates to the termination of two leases, one in Green Data and the other in Australia.
The tangible fixed assets include a rights of use of real estate leases recorded at € 13 million in net value at the end of August 2021.

3.6.5.3. Impairment of intangible and tangible assets

As of 31 August 2021, no indication of impairment has been identified. No impairment of assets is registered. The impairment tests carried out on goodwill did not result in any recognition of impairment.

The impairment test carried out on the Boston sub-group for the year resulted in the discount and perpetual growth rates of 13.8% and 2% respectively. A variation of + 0.5% of the discount rate and - 0.5% of the perpetual growth rate would lead respectively to a depreciation of € 0.7 million and € 0.3 million of the goodwill.

3.6.5.4. Current and non-current financial receivables

Current and non-current financial assets consist of financial receivables relating to server finance leases, as well as loans, deposits and restricted guarantees and cash.

Financial offsetting receivables (Amounts in € k)	31/08/2021	28/02/2021
Non-current financial offsetting receivables	6,688	7,171
Depreciations	(1)	(8)
Non-current financial offsetting receivables, net	**6,687**	**7,163**
Current financial offsetting receivables	6,837	30,626
Depreciations	0	(2,487)
Current financial offsetting receivables, net	**6,837**	**28,139**
Total other current assets	**13,524**	**35,302**

Breakdown of net financial receivables:

Net financial receivables at 31/08/2021 (Amounts in € k)	Current part	Non-current part
Finance lease contract (2CRSi)	5,900	5,815
Finance lease contract (Boston)	658	273
Others	7	873
Depreciations	(1)	0
Net financial receivables	**6,564**	**6,961**

The schedule for non-current financial receivables is as follows:

MATURITY of non-current financial receivables (Amounts in € k)	28/02/2023	29/02/2024	28/02/2025	Total
Non-current financial offsetting receivables	3 370	3,222	368	6,961

The staggered debt with Blade amounted to € 11.3 million as of 28 February 2021. Following Blade's entry into receivership in March 2021, this receivable was fully classified as current receivables at the end of February. This receivable no longer appears in the accounts to 31/08/2021, mainly following the payment received from hubiC, the buyer of Blade (refer to the Blade paragraph).

Financial receivables related to server finance leases amounted to € 24.2 million as of 28 February 2021, including a significant current portion of € 20.6 million. These receivables amounted to € 11.7 million as of 31 August, including € 5.9 million in current.

3.6.5.5. Stocks

Inventories are valued using the last purchase price method.

Finished products are valued at their production cost with the exception of those which, during the product launch phase, have a cost price higher than their selling price, as well as obsolete or surplus products.

Depreciation reduces the inventory of goods and raw materials to its realisable value, less proportional selling costs.
Works in progress were assessed according to the same principles, depending on their progress in manufacturing.

The inventories break down as follows:

Stocks (Amounts in € k)	31/08/2021	28/02/2021
Inventories of finished products, and products in progress	4,294	5,394
Inventories of goods and raw materials	55,961	29,844
Gross total inventory	**60,255**	**35,238**
Depreciation of inventories of goods and raw materials	(2,895)	(3,016)
Total inventory depreciation	**(2,895)**	**(3,016)**
Net total inventory	**57,360**	**32,222**

Inventories at the end of the period increased (€ 57.4 million versus € 32.2 million in February), or + € 25.2 million. This increase is linked to the recovery of Blade equipment (+ € 13 million) and to the constitution of a safeguard stock in the light of a global component shortage. The launch of certain productions or deliveries is delayed when certain components are not available; some supplies are therefore made in advance. The availability of stocks is an opportunity in the context of a component shortage. This inventory level represents 4 months of Group sales.

Inventories include equipment recovered from Blade during the first half of the year and which is valued at the amount of the financial receivable net of the provision made in February 2021. They are thus valued at € 13.3 million.
Inventories of goods and raw materials include € 1.1 million of components which have been the subject of financing by credit balance and are recognised as assets by application of IFRS16.

3.6.5.6. Customers

The Group's exposure to credit risk is influenced mainly by the individual characteristics of different customers.
The maturities of trade receivables, which vary according to the nature of the contracts, are generally between 30 and 90 days. Trade receivables and related accounts are initially recognised at fair value.

Subsequent assessments take into account the probability of recovering receivables, which may lead to the registration of a specific impairment loss for doubtful debts, determined as follows:

- receivables in litigation are fully depreciated when certain and precise probative elements demonstrate the impossibility of recovery;
- for other dubious debts, impairment losses are recorded to adjust the recoverable amounts estimated on the basis of the information available during the preparation of the financial statements.

Uncollectible receivables are registered in profit or loss, and existing provisions are reversed.

Customers (In thousands of euros)	31/08/2021	28/02/2021
Customers and related accounts	27,850	27,128
Customers - invoices to be established	933	1,421
Total gross accounts receivable	**28,783**	**28,549**
Depreciation of trade receivables and related accounts	(640)	(443)
Total net customers	**28,143**	**28,106**

As of 31 August 2021, trade receivables amounted to € 28.1 million, the same level as at the end of February 2021. Trade receivables represent 2 months of Group turnover.

3.6.5.7. Other current assets

Other current assets (In thousands of euros)	31/08/2021	28/02/2021
Advances and deposits paid	5,662	5,598
Receivables on staff and social security organisations	127	85
Tax receivables	1,575	1,500
Company taxes	1,610	1,610
Prepaid expenses	2,001	1,206
Miscellaneous	1,041	2,084
Total other current assets	**12,015**	**12,083**

The “Advances and deposits paid” item remains high due to the deterioration in outstanding payments already made by credit insurance companies at the start of 2020 when the Covid-19 crisis hit Asia. The Group must now pay certain component suppliers in advance.

The increase in prepaid expenses mainly concerns 2CRSi and Green Data. The “Other” item corresponds to the balance of open receivables with related companies (mainly Boston IT Solutions Pvt. Limited India) and the receivable linked to the investment grant (€ 0.4 million).

3.6.5.8. Shareholders’ equity

SHARE CAPITAL

The capital of 2CRSi amounts to €1.282 million. It is divided into 14,243,430 Ordinary shares of € 0.09 each, fully paid.

DIVIDENDS PAID

Dividends paid in 2021/2022 for 2020 amounted to € 175k for preference shares. They were the subject of an effective payment in September 2021 and were recognised as costs of net financial debt. A dividend of € 175,000 was paid in 2017, 2018 and 2019 in respect of these ADP (see DEU 20-21 note 6.6.5.9).

3.6.5.9. Current and non-current financial debts

Financial and non-current debts (Amounts in € k)	31/08/2021	28/02/2021
Repayable advances	90	165
Preference shares	3,595	3,478
Loans from credit institutions	11,578	14,318
Other financial debts	11,845	11,429
Lease liabilities	13,102	14,005
Other financing debts	3,387	4,441
Non-current financial debts	**43,597**	**47,836**
Repayable advances	175	175
Other loans	311	166
Loans from credit institutions	12,934	12,878
Current bank overdrafts and accrued interest	1,996	1,520
Factoring and other short-term financing	13,382	2,683
Other financial debts	1,690	0
Lease liabilities	2,376	2,859
Other financing debts (2CRSI)	2,745	4,910
Other financing debts (Boston Ltd)	270	779
Current financial debts	**35,879**	**25,970**
Total financial debts	**79,476**	**73,806**

The lines "Other financial debts" are debts to minority interests recognised in the context of business combinations.

The table below shows the changes in financial debts during the year:

	28/02/2021	Cash received	Cash disbursed	Others	31/08/2021
Loans from credit institutions	27,196	73	(605)	(2,153)	24,512
Current bank overdrafts and accrued interest	1,520	445	0	31	1,996
Repayable advances	340	-	-	(75)	265
Funding debts	10,130	170	(3,880)	(18)	6,402
Preference shares	3,478	-	-	115	3,595
Factoring and other short-term financing	2,683	8,880	0	1,820	13,382
Lease liabilities	16,864	-	(1,696)	310	15,478
Other financial debts	11,429	-	-	2,106	13,535
Other loans	166	(66)	-	211	311
Total	**73,806**	**9,502**	**(6,181)**	**2,349**	**79,476**

Loans from credit institutions are down (- € 0.5 million). State guaranteed loans (PGEs), the first year of which expire in the second half of 2021, will be subject to renewal in the second half of 2021 for up to 5 years.

Current bank overdrafts and other current financing with factoring have increased, these being used to meet the needs of the business and the constraints related to the shortage of components, mainly at Boston. Short-term financing (including factoring) reached € 13.4 million compared to € 2.7 million as of 28 February 2021, and bank loans € 2 million compared to € 1.5 million as of 28 February 2021.

Equipment financing debts are down overall, repayments of maturities (- € 3.9 million) mainly correspond to reimbursements of financing for the Blade equipment.

The "Other" movements mainly relate to the increase in debts related to the Boston acquisition. This item also includes variations in accrued interest not yet due as well as the increase in rental debts following the signing of new contracts, mainly in the United States, as well as reclassifications of € 2 million between loans to credit institutions and short-term financing.

“Other financial debts” are debts to minority interests recognised in the context of business combinations. These are determined on the basis of an estimated level of EBITDA and EBITDA rate over the coming years, the non-achievement or exceeding of which could significantly vary the amount that would actually be disbursed in this respect compared to the amount recorded. The earn-out debt for the next two fiscal years is valued at € 3.1 million at the end of August 2021. The maximum amount that could be disbursed in this regard in the event of the Boston sub-group's outperformance amounts to € 7.7 million. Concerning the minority put option, the amount actually disbursed will be determined on the basis of a multiple of the average EBITDA for the two previous years. At the end of August 2021, due to increased activity, the debt recorded in this regard was estimated at € 10.5 million compared to € 8.8 million at the end of February.

DEBTS TO CREDIT INSTITUTIONS

Rental debts fell by € 2.6 million; this takes into account the payments due during the period (- € 0.6 million) and a reclassification of certain Boston bank facilities as other current financing.

Below is the list of loans not due at the end of the financial year (including those repaid early for bank account closure - data from corporate accounts):

Bank	Item	Nominal value in thousands	Currency	Date of issue	Due	Rate	Nature of rate	Balance sheet value at 31/08/2021 in thousands of euros	Fair value at 31/08/2021 in thousands of euros
BPI	Export loan	194	€	30/04/2015	31/01/2022	4.20%	Fixed	19	19
BPI	Export loan	150	€	31/08/2015	31/08/2022	4.54%	Fixed	30	30
Caisse d'Epargne	Local development loan	75	€	22/10/2015	01/02/2021	1.00%	Fixed	0	0
SG	Local development loan	50	€	01/04/2016	01/03/2021	0.90%	Fixed	1	1
Caisse d'Epargne	R&D project	250	€	19/09/2016	05/10/2021	1.60%	Fixed	43	43
BNP	Investments	5,000	€	06/12/2018	06/12/2023	1.00%	Fixed	2,531	2,531
BNP	External growth	15,000	€	04/12/2019	04/11/2024	2.25%	Variable 1-month Euribor (currently 0%)	12,000	12,000
Crédit Agricole	PGE	300	€	25/01/2021	ND	ND	Fixed	300	300
Caisse d'Epargne	PGE	1500	€	29/09/2020	D *(1)*	0.25%	Fixed	1500	1500
BNP	PGE	2500	€	16/10/2020	D *(1)*	0.5% *(2)*	Fixed	2500	2500
BPI	PGE	1000	€	02/11/2020	D *(1)*	2.35%	Fixed	1000	1000
LCL	PGE	1000	€	21/10/2020	D *(1)*	0.5% *(2)*	Fixed	1000	1000
CIC	PGE	1000	€	20/10/2020	D *(1)*	0.5% *(2)*	Fixed	1000	1000
Crédit Agricole	PGE	1300	€	19/10/2020	D *(1)*	0.5% *(2)*	Fixed	1300	1300
Société Générale	PGE	1400	€	13/10/2020	ND *(1)*	0.25%	Fixed	1400	1400
HSBC	Equipment	665	£	27/08/2015	27/08/2022	1.40%	variable + Bank of England base rate (0.1% currently)	154	154
Loyds Bank	Equipment	ND		ND	ND	ND	ND	70	70

(1) The Group has decided to take advantage of the additional amortisation periods provided for by these loans, which entered into application during the second half of 2021.

(2) Guarantee commissions; conditions applicable to the first year of the PGE.

PGE borrowings are classified under non-current borrowings and financial debts.

LEASE LIABILITIES

Rental debts were down € 1.4 million. The cash disbursed for this item amounts to € 1.7 million. The new rental contracts are mainly related on the new site of Rouses Point in the United States € (0.5) million. The decrease is due to two end of leases within the Green Data subsidiary and in Australia (€ 0.8 million).

FUNDING DEBTS

In order to ensure the financing of certain rental contracts, the Group has set up sales and lease-back contracts with banking organisations relating to the servers received by customers. These contracts operate as follows:

- Each delivery of servers is backed by a sale-leaseback operation with a banking organisation. In this context, this organisation finances the servers delivered and the funding is reimbursed over 36 to 48 months.
- In accordance with IFRS 15, the legal transaction of transfer to banking organizations is not classified as a sale and therefore no turnover is recorded by the Group. The funding received is registered as debt.

There is no guarantee or collateral on the assets financed.
In 2020-21, other assets were the subject of sale-leaseback operations with banking organisations. The total amount of goods financed during the year is € 4.6 million, and no turnover is recorded for this in the Group's accounts. These contracts have a duration of 48 and 60 months. These contracts were treated as financing obtained by the Group and the amounts received from banking organisations were treated as financial debts.

The main characteristics of the operations are as follows:

Banks	Amount financed before tax [Amount collected]	Lease duration	1st rent + fees	Quarterly rent	Term	Start date	End date	Purchase option	Rate
LIXXBAIL ETICA *(*)*	4,030,000	54 months	600,000	243,464	Due	15/10/2017	15/04/2022	None	4.61%
CM CIC *(*)*	2,095,600	42 months		186,031	Due	16/10/2017	14/04/2021	20,956	3.68%
LIXXBAIL ETICA *(*)*	2,500,562	42 months	375,084	197,279	Due	15/01/2018	14/07/2021	None	4.20%
LIXXBAIL ETICA *(*)*	3,003,763	42 months	450,564	241,601	Due	01/06/2018	30/11/2021	None	5.00%
NCM ARIUS *(*)*	1,999,980	60 months		114,960	Due	01/06/2018	28/02/2022	20,000	3.60%
LEASE EXPANSION *(*)*	2,958,027	42 months		250,830	Due	01/12/2017	31/08/2021	150	1.20%
NCM	1,600,408	60 months		87,718	Due	01/12/2019	30/11/2024	8,002	3.67%
NCM	534,125	60 months		28,219	Due	01/05/2019	30/04/2024	7,578	3.99%
NCM	2,372,203	60 months		131,017	Due	29/03/2019	29/03/2024	11,861	3.99%
LEASE EXPANSION	2,516,786	36 months		220,349	Due	01/07/2020	30/06/2023	0	ND
LEASE EXPANSION	899,111	36 months		78,719	Due	01/08/2020	31/07/2023	None	ND
LEASECOM	657,200	60 months		35,427	Due	01/03/2021	28/02/2026	ND	ND
Exclusive Capital	517,400	48 months		34,727	Due	27/07/2020	30/09/2024	0	5.80%
DE LAGE LANDEN / DDL	169,985	36 months		15,098	Due	26/02/2021	25/02/2024	0	5.80%

(*) contracts with Covid deadline postponments

With respect to the financing debts, the main variations during the period are:

- reimbursements on all contracts for the period (including Blade): €3.9 million;
- new finance lease contracts: €0.2 million;

The maturities of financial debts break down as follows:

Financial debt repayment terms and schedule (In thousands of euros)	Total	< 1 year	1 to 5 years	> 5 years
Repayable advances	265	100	165	-
Preference shares	3,595	-	3,595	-
Bank overdrafts	15,378	15,378	-	-
Rental debts	15,478	1,473	14,005	-
Funding debts	6,402	3,015	3,387	-
Other financial debts	13,535	1690	11,845	-
Loans from credit institutions	24,512	12,934	11,578	-
Other loans	311	311	-	-
Situation at the end of the financial year	**79,476**	**34,901**	**44,575**	**0**

The 1-year debts with credit institutions include a loan for which, at the date of closing, certain covenants had not been respected, but for which the Bank has since waived the demand for early repayment. Corrected for this impact, financial debts at < 1 year would be € 9 million lower and financial debts from 1 to 5 years € 9 million higher.

3.6.5.10. Fair value of financial instruments

No significant event occurred during the semester to affect the fair value of financial assets and liabilities. With the exception of the modification of the titles of the various categories of assets and the discounting of the debt linked to the put, the implementation of IFRS 9 has not resulted in any significant change with regard to the valuation methods of the book values as well as the levels of fair value presented at 31 August 2021.

3.6.5.11. Covenants

The loan of € 15 million contracted on 4 December 2019, and the balance of which was € 12 million as of 31 August 2021 (the second instalment of € 3 million was settled in early November 2021) , is subject to compliance with covenants.

The financial ratios (R1, R2 and R4) below must be maintained on each test date for the period of test considered, at a level lower than those indicated in the table below:

- R1 = Net Financial Debt / EBITDA for the Boston Ltd Group Structure calculated semi-annually and for the first time on 29/02/2020
- R2 = Net Financial Debt / EBITDA for the Group's Consolidated Structure calculated semi-annually and for the first time on 28/02/2021
- R4 = Net Financial Debt / Equity, for the Structure of the former 2CRSi calculated semi-annually and for the first time on 29/02/2020

Date of test	R1 ratio less than	R2 ratio less than	R4 ratio less than
29/02/2020 and 30/08/2020	3 x	N/A	60%
from 28/02/21 to 30/08/2024	2.5 x	2.5 x	60%

As of 31 August 2021, the Company had not complied with certain ratios agreed in the senior loan agreement entered into on 05/12/2019, with a view to financing the acquisition of Boston Limited. As the Bank had still not waived the early repayment of the debt as of 31 August, the portion of the loan with a maturity of more than one year (€ 9,000,000) was considered as a current debt in strict application of accounting rules. The bank has since confirmed its waiver of the early repayment of the debt.

In addition, the loan contract with HSBC, the balance of which amounts to € 154,000 on 31/08/2021, is subject to a covenant.

3.6.5.12. Payables

Payables (In thousands of euros)	31/08/2021	28/02/2021
Payables	19,743	22,095
Invoices not received	3,586	1,962
Total trade payables	**23,329**	**24,057**

3.6.5.13. Other current liabilities

Other current liabilities (Amounts in € k)	31/08/2021	28/02/2021
Advances and advance deposits on customer orders	1,163	2,637
Customer credit notes and trade creditors discounts, remissions, and concessions	735	1,986
Liabilities on non-monetary contracts	2,120	1,785
Corporate debts	2,227	2,861
Tax liabilities	2,723	4,893
Income tax payable	1,327	599
Other liabilities	4,328	2,807
Total other current liabilities	**14,624**	**17,568**

3.6.5.14. Cash

(Amounts in € millions)	31/08/2021	28/02/2021
Cash on hand	5,346	4,544
Marketable securities	0	-
Gross cash	**5,346**	**4,544**
Bank assistance (overdraft)	1 925	1,477
Net cash	**3,421**	**3,067**

The stability of the available cash compared to 28/02/2021 was mainly ensured by the use of short-term financing to allow the increase in the working capital requirement (increase in the level of stocks in particular, see note 3.6.5.5).

3.7. FURTHER INFORMATION

TRANSACTIONS WITH RELATED PARTIES

According to IAS 24, "Related party information", a related party is a natural or legal person that is related to the entity that presents its financial statements.
It can be any of the following:

· A person or company that exercises control over the Group;
· An associated company of the Group;
· An important member of the Company's management team (or a member of their family).

A transaction with a related party involves a transfer of goods, services or obligations between the Group and the related party.
Transactions with related parties identified as of 28 February 2021 are as follows:

Related parties (Amounts in € k)	HAW		ALISPALU		GAMESTREAM		VSCALER		BOSTON IT SOLUTIONS (INDIA)	
	31/08/2021	31/08/2020	31/08/2021	31/08/2020	31/08/2021	31/08/2020	31/08/2021	31/08/2020	31/08/2021	31/08/2020
Others products	1	-	735	-	-	-	-	-	-	-
External costs	-	-	(0)	-	-	-	-	-	-	-
Sales of products & merchandise	-	-	1,684	57	0	57	3	1,113	339	120
Consumables purchased	-	-	(88)	-	-	-	(2)	(945)	(288)	(102)
Investment income	0	0	-	-	-	-	-	-	-	-
Total	**1**	**0**	**2,331**	**57**	**0**	**57**	**1**	**167**	**51**	**18**

During the first semester of fiscal year 2021/2022, there was no significant change in the nature of transactions with related parties compared to fiscal year 2020/2021.

3.7.1 CONTINGENT LIABILITIES

No contingent liability is known at the date of closing of these consolidated accounts. No new litigation arose during the 2020-2021 fiscal year.

The dispute concerning a former manager of the company has not been the subject of a provision because the company considers the arguments to be unfounded.

3.7.2 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments in € k (excluding rental debt and credit card)	Commitments given	Commitments received
Business pledges	3	-
GREEN DATA Security Collaterals	6	-
BOSTON Security Collaterals	12,000	-
2CRSi joint surety (GREEN DATA lease)	1,452	-
Caution BPI	-	64
Loan insurance delegation	-	5,000
BPI guarantee on overdraft authorisation	-	2,025
Personal surety natural person	-	11
Other commitments vis-à-vis third parties (customer / supplier)	1,617	-
Guarantee on import line	4,333	-
Guarantee on customer discount line	7,999	-
Loan guarantee	154	-
State guarantee loans (PGE)	-	9,000

The Group is also likely to make commitments to its customers in the context of calls for tenders.

4 REPORT OF THE AUDITORS

5 DECLARATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

"I certify that, to the best of my knowledge, the full accounts for the semester have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the companies included in the group, and that the attached interim management report gives a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions with related parties and that it describes the main risks and uncertainties for the remaining six months of the financial year."

Strasbourg, 30 November 2021,

Mr. Alain Wilmouth
Chairman and CEO

HALF-YEARLY FINANCIAL REPORT

31 AUGUST 2021