

INTERIM FINANCIAL REPORT AND CONDENSED FINANCIAL STATEMENTS AT JUNE 30, 2022

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INTERIM
FINANCIAL
REPORT







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01.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

- 1.1 Selected financial information 8
- 1.2 Message from the Chairman 9

02.

INTERIM ACTIVITY REPORT

- 2.1 Highlights of the period 12
- 2.2 Comments on consolidated activity at June 30, 2022 19
- 2.3 Comments on the consolidated results at June 30, 2022 24
- 2.4 Comments on consolidated cash flows at June 30, 2022 29
- 2.5 Comments on the consolidated financial position at June 30, 2022 34
- 2.6 Related-party agreements 37
- 2.7 Recent events and Outlook 38
- 2.8 Share ownership 41

03.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2022

- 3.1 Condensed interim consolidated financial statements 44
- 3.2 Notes to the interim consolidated financial statements 49



04.

STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION FOR 2022

4.1 Period from January 1, 2022 to June 30, 2022 82

5.0

CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

5.1 Statement by the person responsible for the interim financial report 86





01. Message from the Chairman of the Board of Directors

1.1	Selected financial information	8
1.2	Message from the Chairman	9



SELECTED FINANCIAL INFORMATION

1.1.1 Key interim financial data

Consolidated data

In millions of euros	06/30/2021	06/30/2022	Gross change
Contributed revenue	354.7	429.2	+21.0%
EBITDA	81.1	99.9	+23.2%
Current operating income	32.9	47.7	+45.3%
Profit of the period (attributable to company shareholders)	13.5	25.2	+86.7%
Net earnings per share (€)	1.72	3.23	+86.7%
Recurring operating cash flow	62.9	88.5	+41.1%
Net industrial capex paid (excl. IFRIC 12)	34.7	47.4	+36.6%
Free operating cash flow	45.1	25.5	-43.5%
Net financial debt under IFRS	465.5	531.0	+14.1%
Financial leverage ratio	2.7x	2.7x	ns

1.1.2 Definitions

Contributed revenue: reported consolidated revenue net of 1/ IFRIC 12 revenue representing investments in assets under concession arrangements which are recognized as revenue in accordance with IFRIC 12; 2/ the impact of the general tax on polluting activities (TGAP);

Recurring operating cash flow: EBITDA plus dividends received from equity investments and the balance of other cash operating income and expenses (including net foreign exchange gains or losses), minus rehabilitation and maintenance expenses for waste treatment sites and assets under concession arrangements (including major maintenance and renewal contracts);

Free operating cash flow: recurring operating cash flow less the change in working capital requirement, taxes paid, net interest paid and recurring industrial investments, before development investments and financial investments, dividends and financing.

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,

Séché Environnement's commercial, operational, financial and non-financial achievements in the first half of 2022 validate its profitable growth strategy focused on the circular economy and the decarbonization of economic activities, both in France and internationally.

During a period of geopolitical, energy and monetary crises, Séché Environnement once again demonstrated its ability to pursue an active incremental acquisition strategy while successfully integrating new subsidiaries, and to significantly ramp up its organic growth while continuing to improve its operational and financial performance.

In particular, our Group strengthened its position in the circular economy with the acquisition of All'Chem, a specialist in fine chemicals in France, consolidating our presence on the buoyant high added value, low carbon regenerated chemical synthesis markets. Séché Environnement also announced its intention to acquire a portfolio of industrial water activities from Veolia. This acquisition will position our Group as a major player on the liquid waste and industrial water cycle markets.

In the first half of the year, Séché Environnement announced an ambitious climate strategy, setting tough recycling targets for itself and for its customers in line with the Paris Agreement on greenhouse gas emissions.

The quality of our growth on the sustainable development markets has been hailed by many of our stakeholders, first of all our investors, as reflected in our share price performance. Our quality growth was also acknowledged with awards such as the Greentech & Energies Grand Prize awarded by representatives of the French economic and financial press at the French Summit of Growth Enterprises, which we won for the second successive year. We were also recently named Best Managed Company by a leading international consulting and audit firm.

I am convinced that we will pursue this virtuous trajectory in the future.

Our growth strategy, based on business lines offering solutions for the circular economy and environmental services, places us at the heart of the biggest challenges facing our industrial and public authority clients: carbon neutrality in the long term, and now, more urgently, competitively priced access to local energy sources and raw materials.

Séché Environnement is a net positive low carbon energy producer and, more broadly, a promoter of innovative environmental solutions that facilitate the ecological transition. Our Group is now, more than ever, the preferred partner of our clients, helping them transform their challenges into sustainable and profitable growth opportunities.

The performance achieved in the first half of the year, in particular the contribution of exceptionally large one-time contracts, has led us to raise our growth and operating profitability forecasts for 2022. This performance bodes well for the achievement of the goals we have set for 2025 and will strengthen the major role played by our Group in France and internationally, at the heart of sustainable development markets and the ecological transition.

*Joël Séché
Chairman of the Board of Directors*



02. Interim Activity Report

2.1	Highlights of the period	12
2.2	Comments on consolidated activity at June 30, 2022	19
2.3	Comments on the consolidated results at June 30, 2022	24
2.4	Comments on consolidated cash flows at June 30, 2022	29
2.5	Comments on the consolidated financial position at June 30, 2022	34
2.6	Related-party agreements	37
2.7	Recent events and Outlook	38
2.8	Share ownership	41

HIGHLIGHTS OF THE PERIOD

2.1.1 Consolidation of Séché Assainissement

The operations of the eight Osis-IDF branches, which were wholly acquired as announced in Q3 2021, were consolidated on January 1, 2022 under the name Séché Assainissement.

With this acquisition, Séché Environnement rounded out its range of environmental services with new promising business activities on its target markets (industrial and public sector customers), while expanding its footprint to the Ile-de-France region.

With more than 200 highly qualified employees and a fleet of the most innovative technical equipment, Séché Assainissement has established itself as a specialist in the maintenance of sanitation networks and facilities and a leading operator on extremely technical markets.

Séché Assainissement will draw on its portfolio of recurring, secure contracts and the Group's regional coverage to expand its activity throughout the country, making local acquisitions where appropriate.

The acquired activities generated revenue of approximately €27 million in 2021, for EBITDA of around €4 million and current operating income of a similar amount.

In H1 2022, this acquisition was the subject of a disbursement of approximately €29 million financed from the Group's cash and cash equivalents.

2.1.2 Planned acquisition of a portfolio of Industrial Water activities

On May 24, 2022, Veolia and Séché Environnement announced that they had entered into a unilateral purchase agreement under which Séché Environnement committed to acquiring Veolia's industrial water treatment services business in France.

This acquisition strengthens Séché Environnement's expertise in the industrial water cycle and thus expands its range of services to the industrial sector, perfectly complementing its industrial effluent management businesses. These services enhance Séché Environnement's outsourcing offer as part of its comprehensive services for leading industrial clients and rank it as a major player on a recurrent, high-potential market.

The assets acquired include a portfolio of contracts with industrial companies, representing annual revenue of approximately €60 million and EBITDA of approximately €4 million. These contracts cover all aspects of the industrial water cycle (in particular, effluent treatment, supplying of process water, facility management - including waste management - and maintenance operations), making it possible to offer the industry high-value-added services in delegated water cycle management.

The sale of the assets amounts to approximately €40 million and will be funded from Séché Environnement's available cash.

Finalization of this transaction is subject to consultations with Veolia's employee representative organizations and obtaining the necessary regulatory authorizations. It is expected to take place at the end of 2022 for consolidation by Séché Environnement at the start of 2023.

2.1.3 Acquisition of All'Chem, a specialist in fine chemicals

On June 9, 2022, Séché Environnement acquired All'Chem, a French specialist in fine chemical products for the pharmaceutical, agrochemical and veterinary industries.

With some sixty employees, the company operates at a versatile production site in Montluçon (Allier) and produces around fifty products for top-tier customers including BASF, Boehringer Ingelheim and Sanofi.

Its know-how and production capacities complement Speichim Processing's expertise and production facilities on the promising fine chemicals markets.

This acquisition reinforces Speichim Processing's positioning in the manufacture of active ingredients and fine chemicals – niche activities with high added value and high technological content – and it bolsters its Regeneration-Purification division by increasing its capacity to propose solutions incorporating pre- and post-distillation reactions. It also strengthens its capacity to implement dedicated circular economy solutions for chemicals with the possibility of transforming the products for subsequent recovery through distillation.

All'Chem is expected to generate revenue of approximately €18 million in 2022 for EBITDA of around €1.9 million. At the acquisition date, All'Chem's net debt totaled around €6.6 million.

This acquisition was carried out on the basis of a multiple of around 6x EBITDA and will be financed from the Group's available cash.

Speichim took full control of this company on June 10, 2022. The acquisition therefore had no material impact on the results for the first half of 2022.

2.1.4 A new revolving credit facility with sustainability performance criteria

On March 31, 2022, Séché Environnement refinanced its revolving credit facility (RCF) maturing in 2023 with a pool of French and international banks.

With a maturity extended to 2027, this new RCF will finance the Group's general needs.

It includes improved financing conditions and more flexible terms of use, as well as offering a significantly higher amount than the previous facility, of €200 million compared with €150 million.

The RCF has three sustainability performance criteria:

- 10% reduction in greenhouse gas emissions by 2025, compared with 2020 (scopes 1 and 2, in France and at constant scope);
- 40% increase in greenhouse gases avoided thanks to recycling activities by 2025, compared with 2020 (France, constant scope);
- Decrease in the frequency of workplace accidents by 7 points by 2025 (versus 2019), with the severity rate maintained at or below 1 over the period (France, constant scope).

The interest margin on by the RCF will be adjusted according to the number of criteria met in 2025, and may be reduced by 5 basis points if the three criteria are met, or 2.5 basis points if two criteria are met, or increased by 2.5 basis points if a single criterion is met and by 5 basis points if no criterion is met.

2.1.5 Sustained organic growth and significant improvement in operational and financial performance

H1 2022 confirmed Séché Environnement's profitable growth momentum in all its scopes and activities. It also benefited from spot transactions which boosted organic growth, particularly in the decontamination and environmental emergency businesses.

The good commercial, operational and financial performance in H1 2022 underpins the Group's expectations for the full year and beyond.

2.1.5.1 Buoyant markets in France and Internationally, strong sales momentum and contribution of major spot contracts

Séché Environnement is positioned on the buoyant markets of the circular economy, the decarbonization of the economy, and hazard management. These markets are sustainably supported by the societal challenges of sustainable development, which are reflected in binding regulations aimed at speeding up the ecological transition and the fight against climate change, and in the Group's industrial and public customers' growing needs in terms of industrial and regional ecology.

The Group's activities focused on waste recovery and environmental services anticipate the expectations of its customers in terms of outsourcing their ecological transition issues or meet societal expectations in terms of reducing ecological liabilities and addressing environmental accident remediation.

In France, the Group's contracts in the industrial sector benefited from markets supported by high levels of industrial production, favoring the positive trend in volumes and prices. The local authority markets remained solid, while volume pressure on available capacity also led to favorable price trends, particularly in hazard management activities.

This bullish environment was bolstered by market opportunities, and major contracts in the decontamination and environmental emergency business lines (spot contracts totaling around €10 million), which boosted organic growth over the period.

The International division confirmed its return to a very positive growth trend, with all geographic regions seeing a high level of activity, particularly in Latin America and the Rest of the World (Solarca), which posted a sharp rebound in their activities in 2022 after suffering the impacts of the pandemic for the past two years.

The International scope also includes the contribution of major spot contracts in the decontamination and environmental emergency businesses, particularly in Peru (Kanay) and South Africa (Spill Tech), which amplified the organic growth of this scope by approximately €15 million.

2.1.5.2 Acceleration in organic growth and scope effect

Séché Environnement posted contributed revenue⁽¹⁾ of €429.2 million as of June 30, 2022, up 21.0% compared to June 30, 2021 (+20.1% at constant exchange rates). This revenue includes a scope effect of €21.5 million, reflecting Spill Tech's contribution over two months (consolidated on March 1, 2021) and that of Séché Assainissement, which was consolidated on January 1, 2022.

At constant scope, contributed revenue stood at €407.7 million, up sharply by +14.9% compared to June 30, 2021 (€354.7 million) and +14.2% at constant exchange rates.

In H1 2022, Séché Environnement confirmed the significant organic growth of its activities in France and internationally:

- In France, business recorded strong organic growth (+9.6% to €286.4 million), with the Group benefiting from strong volumes and buoyant prices in all of its circular economy and hazard management markets, while Services activities confirmed their momentum, bringing in some large contracts;
- Internationally, revenue at constant scope (€121.3 million) was up sharply, by +29.7% at current exchange rates and +26.0% at constant exchange rates;

All regions posted a high level of activity, particularly Latin America and Solarca (Europe and Rest of the World), which confirmed their return to growth and recorded a sharp recovery in their activities after two years marked by the consequences of the pandemic. In Latin America and South Africa, significant "spot" transactions on the decontamination and environmental emergency markets accelerated growth momentum over the period.

(1) See paragraph 1.1.2 "Definitions".

2.1.5.3 Strong growth in operational performance indicators, particularly internationally

Operating results, such as profitability indicators, were significantly higher than in H1 2021:

- EBITDA totaled €99.9 million, up by +23.2% on June 30, 2021, and stood at 23.3% of contributed revenue (vs. 22.9% of contributed revenue one year earlier).

It includes a scope effect related to the consolidation of Spill Tech and Séché Assainissement for €4.1 million.

On a like-for-like basis, EBITDA reached €95.8 million, up +18.3% compared to June 30, 2021, i.e. 23.5% of contributed revenue (compared with 22.6% at June 30, 2021).

The improvement in gross operating income across the historical scope was due to the combined effects of:

- Sales momentum, in particular positive price effects in France and favorable volume effects internationally;
 - The industrial efficiency policy, which optimizes the availability of tools, increases their utilization rate and promotes the improvement of the waste mix.
- Current operating income stood at €47.7 million, or 11.1% of contributed revenue, up +45.0% compared to June 30, 2021. This sharp increase partly reflects the €2.6 million contribution from the new scope.

On a like-for-like basis, COI amounted to €45.1 million, an increase of +37.1% compared to June 30, 2021, and 11.1% of contributed revenue (vs. 9.2% one year ago).

This positive trend reflects the improvement in gross operating profitability in a context of controlled depreciation expenses in line with the selective investment policy.

- Operating income stood at €45.6 million, or 10.6% of contributed revenue (vs. 8.7% at June 30, 2021): it increased by +48.1% compared to June 30, 2021, mainly reflecting the increase in COI. This balance mainly reflects the impact of business combinations in the amount of -€2.1 million (in particular the impact of the consolidation of Séché Assainissement).

2.1.5.4 Sharp increase in profit of the period (attributable to company shareholders)

Net financial income totaled -€8.8 million, compared to -€9.4 million a year earlier, due to the decrease in the cost of gross debt (2.56% vs. 2.78% in the first half of 2021) and a better balance of financial income and expenses, with, in particular, a foreign exchange gain of +€0.2 million vs. -€0.6 million a year earlier.

After accounting for:

- Income tax of €9.8 million versus €7.2 million in H1 2021;
- Share of income of associates in the amount of -€0.2 million - vs. -€0.5 million;
- And non-controlling interests for -€1.6 million, vs. -€0.4 million.

Net income Group share increased by 86.7% to €25.2 million, i.e. 5.9% of contributed revenue compared to €13.5 million at June 30, 2021 (3.8% of contributed revenue).

Net earnings per share amounted to €3.23 vs. €1.72 at June 30, 2021.

2.1.5.5 Financial robustness confirmed

Industrial investments recognized (excluding IFRIC 12) remained under control, at €41.0 million (vs. €38.8 million a year earlier) or 9.6% of contributed revenue (10.9% at June 30, 2021).

Recurring operating cash flow⁽¹⁾ totaled €88.5 million, an increase of +41.1% compared to June 30, 2021 mainly reflecting the increase in EBITDA.

Free operating cash flow⁽²⁾ amounted to €25.5 million (compared to €44.0 million at June 30, 2021): this contraction was mainly due to the one-off increase in WCR in connection with the high level of activity of the decontamination and environmental emergency business lines in Q2 and the corresponding increase in client accounts receivable to date.

Available cash amounted to €121.4 million (compared to €134.3 million one year earlier) and contributed to strengthening a liquidity position of €341.4 million (compared with €304.3 million at June 30, 2021).

Net financial debt (IFRS) was under control at €531.0 million (versus €474.8 million at December 31, 2021), mainly reflecting the effects of external growth (disposals and scope effects).

Financial leverage was unchanged from June 30, 2021, at 2.7x EBITDA.

(1) See paragraph 1.1.2 "Definitions".

(2) *Ibid.*

2.1.6 Growth targets and operating profitability revised up for 2022

These good commercial, operational and financial performances confirm the Group's expectations in terms of organic growth, operating profitability and financial flexibility for 2022. The Group is assuming that the economic and geopolitical environment in H2 2022 will remain stable compared to the previous period.

Consolidated organic growth in H2 2022 should therefore return to its long-term trend, i.e. organic growth comparable to that of H1 2022 in France and International excluding the contribution of non-recurring one-off contracts.

Given the growth carryover and operating income for H1, Séché Environnement is re-evaluating its targets for the current year, with organic revenue growth of between 5% and 10% compared to 2021 and EBITDA of between 23% and 24% of contributed revenue⁽¹⁾.

Séché Environnement confirms its financial leverage ratio target of around 2.7x EBITDA at year-end 2022, unchanged against 2021, excluding acquisitions.

The Group is also confident in the objectives set out in its roadmap through to 2025⁽²⁾.

(1) See press release from March 7, 2022:

(2) *Ibid.*

COMMENTS ON CONSOLIDATED ACTIVITY AT JUNE 30, 2022

At June 30, 2022, Séché Environnement reported consolidated revenue of €463.9 million, vs. €382.5 million at June 30, 2021.

Reported consolidated revenue includes non-contributed revenue of €34.7 million (vs. €27.8 million at June 30, 2021), which breaks down as follows:

In millions of euros	06/30/2021	06/30/2022
IFRIC 12 investments	4.9	7.1
General tax on polluting activities (TGAP)	22.9	27.6
Non-contributed revenue	27.8	34.7

Net of non-contributed revenue, contributed revenue totaled €429.2 million at June 30, 2022, up sharply by 21.0% from June 30, 2021.

This includes the contribution of Spill Tech, consolidated as of March 1, 2021, as well as that of Séché Assainissement, consolidated on January 1, 2022, for a cumulative amount of €21.5 million.

At constant scope, contributed revenue came to €407.7 million (vs. €354.7 million a year earlier), marking a sharp increase of +14.9% compared to June 30, 2021, and +14.2% at constant scope and exchange rates.

2.2.1 Breakdown of revenue by geographic region

In millions of euros	06/30/2021		06/30/2022		Gross change
	In €m	As a %	In €m	As a %	As a %
Subsidiaries in France	261.2	73.6%	299.4	69.8%	+14.6%
<i>o/w scope effect</i>	-	-	13.0		
International subsidiaries	93.5	26.4%	129.8	30.2%	+38.9%
<i>o/w scope effect</i>	11.1	-	8.5		
Total contributed revenue	354.7	100.0%	429.2	100.0%	+21.0%

Consolidated data at current exchange rates. At constant exchange rates, contributed revenue at June 30, 2021 came to €357.5 million, reflecting a foreign exchange gain of €2.8 million.

The first half of 2022 confirmed a high level of activity in France and abroad in the main geographic regions:

- In France, contributed revenue rose sharply (+14.6%) to €299.4 million, vs. €261.2 million at June 30, 2021.

This increase includes a scope effect of €13.0 million linked to the consolidation of Séché Assainissement as of January 1, 2022. At constant scope, growth was +9.6% over the period.

Séché Environnement benefited from strong industrial markets underpinned by the high level of industrial output, while local authority markets were boosted by the implementation of regulations on the circular economy.

These robust market trends and strong sales momentum enabled the Group to benefit from favorable volume and price effects.

All activities contributed to growth, in particular the environmental services activities (decontamination and environmental emergency), which brought in some substantial spot contracts for a cumulative amount of around €10 million.

Revenue generated in France accounted for 69.8% of contributed revenue at June 30, 2022 (vs. 73.6% one year earlier);

- Internationally, revenue totaled €129.8 million at June 30, 2022, vs. €93.5 million one year earlier, an increase of +38.9% (reported data).

International revenue was boosted by a scope effect of +€8.5 million linked to the contribution of Spill Tech over two additional months in 2022.

It posted a positive exchange gain of +€2.8 million euros, mainly linked to the South African currency, vs. -€1.0 million at June 30, 2021.

At constant scope and exchange rates, international revenue increased +26.0% over the period, illustrating the return to strong organic growth in all geographic areas as well as the contribution of significant spot contracts in the decontamination and environmental emergency activities, for a cumulative amount of around €15 million, in Latin America and South Africa:

- Europe - excluding Solarca - (revenue: €41.4 million, up +21.0%): the growth trend in Europe is supported by the strong growth of Mecomer (hazardous waste platform activities in Italy) and the good performance of Valls Quimica (chemicals recovery in Spain);
- South Africa (revenue: €42.7 million, up +8.9%), illustrating the good performance of Interwaste and Spill Tech;
- Latin America (revenue: €13.0 million, up +106.3%): Peru and Chile returned to normal activity levels, with Peru also seeing contributions from significant spot decontamination contracts;
- Solarca in Europe and the Rest of the World (revenue: €15.7 million, up +82.9%): the subsidiary benefited from a record order book and returned to its high levels of activity after being affected by the pandemic for more than two years.

Revenue generated by international subsidiaries accounted for 30.2% of contributed revenue at June 30, 2022 (vs. 26.4% one year earlier).

2.2.2 Breakdown of revenue by activity

In millions of euros	06/30/2021		06/30/2022		Gross change
	In €m	As a %	In €m	As a %	
Circular economy and decarbonization	121.1	34.1%	132.6	30.9%	+9.4%
<i>o/w scope effect</i>	-		-		
Hazard management	95.0	26.8%	106.4	24.8%	+12.1%
<i>o/w scope effect</i>	-		-		
Environmental services	138.6	39.1%	190.2	44.3%	+37.3%
<i>o/w scope effect</i>	11.1	-	21.5		
Total contributed revenue	354.7	100.0%	429.2	100.0%	+21.0%

Consolidated data at current exchange rates.

All activities contributed equally to organic growth, with environmental services benefiting from scope effects as well as the contribution of major spot contracts.

Activities related to the circular economy and decarbonization generated total revenue of €132.6 million at June 30, 2022, marking an increase of +9.4% on reported data (no significant foreign exchange effect).

This growth masks a contrasting trend between France and International, particularly in Latin America:

- In France, activities related to the circular economy and decarbonization increased +5.7% to €93.8 million (vs. €88.7 million a year earlier). It benefited from markets supported by strong customer demand for industrial or regional ecology solutions in a context of rising energy and commodity prices;
- Internationally, these activities posted significant growth compared to the same period in 2021 (at €38.8 million vs. €32.4 million at June 30, 2021, representing an increase of +19.7% at constant exchange rates), benefiting from the dynamic performance of Valls Quimica (chemical regeneration in Spain) and the contribution of PCB markets in Latin America.

Activities related to the circular economy and decarbonization accounted for 30.9% of contributed revenue at June 30, 2022 (vs. 34.1% one year earlier).

Hazard management activities recorded revenue of €106.4 million at June 30, 2022 (vs. €95.0 million one year earlier), a significant increase of +12.1% as reported and +11.7% at constant exchange rates.

This increase reflects:

- In France (revenue: €95.2 million vs. €90.3 million at June 30, 2021, an increase of +5.5% over the period), with strong industrial waste volumes reinforced by positive price effects;

- Internationally (revenue: €11.2 million vs. €4.7 million at June 30, 2021, up sharply by +137.6% on reported data and +124.7% at constant exchange rates), reflecting the rapid return to normal levels of activity for Latin American subsidiaries after several years marked by the effects of the pandemic.

Hazard management activities accounted for 24.8% of contributed revenue at June 30, 2022 (vs. 26.8% one year earlier).

Environmental service activities recorded revenue of €190.2 million at June 30, 2022 (vs. €138.6 million one year earlier), up sharply by +37.3% as reported and +34.8% at constant exchange rates.

This strong growth includes a scope effect linked to the consolidation of Spill Tech over an additional two months and the consolidation of Séché Assainissement since January 1, 2022.

At constant scope and exchange rates, Service activities achieved a sharp increase of +19.6%.

They benefited from:

- In France (revenue: 97.4 million vs. €82.2 million, an organic increase of +18.4%, which includes the contribution of significant spot contracts in decontamination and environmental emergency activities (see above);
- Internationally (revenue: 71.3 million vs. €56.3 million, an organic increase of +21.1%; this performance partly reflects the contribution of significant spot contracts entered into by Spill Tech in South Africa (see above).

Environmental service activities accounted for 44.3% of contributed revenue at June 30, 2022 (vs. 39.1% one year earlier).

2.2.3 Breakdown of revenue by division

In millions of euros	06/30/2021		06/30/2022		Gross change
	In €m	As a %	In €m	As a %	
Hazardous Waste division	228.7	64.5%	275.0	64.1%	+20.3%
<i>o/w scope effect</i>	11.1	-	8.5		
Non-Hazardous Waste division	126.0	35.5%	154.2	35.9%	+22.4%
<i>o/w scope effect</i>	-	-	13.0		
Total contributed revenue	354.7	100.0%	429.2	100.0%	+21.0%

Consolidated data at current exchange rates.

The various divisions contributed to growth in a relatively balanced manner:

- The HW division, which accounts for 64.1% of contributed consolidated revenue, generated contributed revenue of €275.0 million, up +20.3% from June 30, 2021 (+18.0% at constant exchange rates).

This includes a scope effect of €8.5 million, corresponding to an additional two months of Spill Tech's contribution in H1 2022.

At constant scope and exchange rates, this division's growth came to +14.3%, reflecting a high level of organic growth in all the Group's geographical regions:

- In France, the division brought in €178.0 million in revenue, up +7.8% on the first half of 2021. Over the period, the division's circular economy and hazard management activities were supported by the positive effects of the increase in the price of raw materials, which benefited, among other things, from chemical recycling activities, while the solid level of industrial production meant that treatment facilities became increasingly saturated. Over the period, the sector also benefited from the contribution of significant spot contracts in the decontamination and environmental emergency business lines (see above);
- Internationally, the division's revenue totaled €88.5 million across its historic scope at June 30, 2022 (vs. €52.5 million one year earlier) with very strong organic growth (+30.1%), which illustrates the rapid return of Solarca and South American subsidiaries to more normal business conditions, as well as the contribution of significant spot contracts in Latin America and South Africa (see above).
- The NHW division accounted for 35.9% of contributed revenue and generated contributed revenue of €154.2 million, up +22.3% compared to June 30, 2021 (reported data).

This increase includes a scope effect of €13.0 million related to the consolidation of Séché Assainissement in France. At constant scope and exchange rates, growth in this division was +13.5%:

- In France, the division brought in €108.5 million in revenue at constant scope, up by +12.8%. The division confirmed its good performance, sustained by regulations related to the implementation of the circular economy. It recorded positive volume and price effects;
- Internationally, revenue totaled €32.7 million, representing organic growth of +15.8% at constant exchange rates, mainly due to the substantial contribution by Interwaste in South Africa.

COMMENTS ON THE CONSOLIDATED RESULTS AT JUNE 30, 2022

2.3.1 Summary of interim balances

Unless expressly specified, the percentages shown in the tables and mentioned in the comments below are calculated based on contributed revenue.

In millions of euros At June 30	Consolidated		France		International	
	2021	2022	2021	2022	2021	2022
Revenue (reported)	382.5	463.9	289.0	334.1	93.5	129.8
Contributed revenue	354.7	429.2	261.2	299.4	93.5	129.8
EBITDA	81.1	99.9	64.6	73.0	16.5	26.9
<i>As a % of revenue</i>	22.9%	23.3%	24.7%	24.4%	17.6%	20.7%
Current operating income	32.9	47.7	26.9	33.1	6.0	14.6
<i>As a % of revenue</i>	9.3%	11.1%	10.3%	11.1%	6.4%	11.2%
Operating income	30.8	45.6				
<i>As a % of revenue</i>	8.7%	10.6%				
Net financial income	(9.4)	(8.8)				
<i>As a % of revenue</i>	(2.7)%	(2.1)%				
Income tax	(7.2)	(9.8)				
<i>As a % of revenue</i>	(2.0)%	(2.3)%				
Share of profit of equity-accounted investees	(0.5)	(0.2)				
Non-controlling interests	(0.3)	(1.6)				
Profit of the period (attributable to company shareholders)	13.5	25.2				
<i>As a % of revenue</i>	3.8%	5.9%				
Earnings per share	€ 1.72	€ 3.23				

Reported consolidated data

Séché Environnement's consolidated results at June 30, 2022 posted significantly better performances than in H1 2021, both in terms of operating profitability and net profitability.

2.3.2 EBITDA

As at June 30, 2022, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) were up by +23.2% from June 30, 2021, at €99.9 million, representing 23.3% of contributed revenue, vs. €81.1 million, or 22.9% of contributed revenue, a year earlier.

This increase includes a scope effect of €4.1 million, linked to the consolidation of Spill Tech over an additional two months in H1 2022 and the consolidation of Séché Assainissement over the first six months of the year. The foreign exchange effect on operating balances was negligible.

At constant scope, EBITDA growth was +18.3% and the EBITDA margin came out at 23.5% of revenue.

The increase in profitability of the historical scope mainly reflects:

- The effects of bullish markets and the industrial efficiency policy:
 - Favorable volume and waste mix effects for +€45.2 million, due to strong sales momentum and the increased availability of facilities;
 - Favorable price effects, for +€27.6 million, in line with high capacity use;
- Which were partially offset by the rise in:
 - Variable operating expenses (+€38.1 million), in line with the growth in activity;
 - Personnel expenses (+€10.2 million), reflecting changes in the scope of consolidation and the Group's decision to help certain categories of employees face rising inflation;
 - Maintenance and repair expenses (+€5.1 million), due to the increase in energy prices and the cost of some types of maintenance;
 - Miscellaneous expenses, in the amount of +€4.6 million.

2.3.2.1 Breakdown of EBITDA by geographic scope

In millions of euros	06/30/2021			06/30/2022		
	Group	France	Intl.	Group	France	Intl.
Contributed revenue	354.7	261.2	93.5	429.2	299.4	129.8
EBITDA	81.1	64.5	16.6	99.9	73.0	26.9
% of contributed revenue	22.9%	24.5%	17.8%	23.3%	24.4%	20.7%

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- In France, EBITDA totaled €73.0 million, or 24.4% of revenue. This includes a scope effect of €1.8 million related to the consolidation of Séché Assainissement at January 1, 2022.

At constant scope, EBITDA came to €71.2 million, or 24.9% of revenue (vs. €64.5 million, or 24.5% of revenue, a year earlier).

This improvement in the gross operating margin is mainly due to:

- Favorable business trends in terms of volumes, the waste mix and prices, due to strong market trends in France and the improvement in the capacity utilization rate resulting from productivity gains and the industrial efficiency policy;
- Tight control of operating expenses, linked to the optimization of logistics and the cost savings plan, and despite the increase in energy costs, wage costs and certain maintenance;
- Internationally, EBITDA totaled €26.9 million, or 20.7% of revenue. This figure includes a scope effect of €2.3 million related to the consolidation of Spill Tech over two additional months. The exchange rate effect was negligible.

At constant scope, EBITDA reached €24.6 million, or 20.3% of contributed revenue, vs. €16.6 million, or 17.8% of contributed revenue, a year earlier.

This increase mainly reflects the volume effects resulting from the sharp rebound in activity in this scope, particularly in Latin America and for Solarca.

2.3.3 Current operating income

At June 30, 2022, current operating income stood at €47.7 million, or 11.1% of revenue.

This includes a scope effect of €2.6 million, linked to the consolidation of Spill Tech over an additional two months and the consolidation of Séché Assainissement over the first six months of 2022. The exchange rate effect was negligible.

At constant scope, current operating income rose 34.3 % to €45.1 million, or 11.1% of contributed revenue (vs. €32.9 million, or 9.3% of contributed revenue, at June 30, 2021). This improvement mainly reflects the increase in EBITDA (+€14.7 million) and tight control of depreciation and amortization expenses due to the selective investment policy.

2.3.3.1 Breakdown of current operating income by geographic scope

In millions of euros	06/30/2021			06/30/2022		
	Group	France	Intl.	Group	France	Intl.
Contributed revenue	354.7	261.2	93.5	429.2	299.4	129.8
Current operating income	32.9	26.9	6.0	47.7	33.1	14.6
<i>% of contributed revenue</i>	9.3%	10.3%	6.4%	11.1%	11.1%	11.2%

Consolidated data at current exchange rates.

For each geographic scope, the main changes were:

- Internationally, current operating income totaled €33.1 million, or 11.1% of revenue.

This includes a scope effect related to the consolidation of Séché Assainissement, representing €0.6 million.

At constant scope, current operating income amounted to €32.6 million or 11.4% of revenue (vs. €26.9 million, 10.3% of contributed revenue a year earlier).

This strong performance mainly reflects the increase in EBITDA and tight control of depreciation and amortization expenses;

- Internationally, current operating income totaled €14.5 million, or 11.2% of revenue.

It includes a scope effect of €2.0 million relating to the consolidation of Spill Tech for an additional two months in 2022. The exchange rate effect was negligible.

At constant scope, current operating income amounted to €12.5 million or 10.3% of revenue (vs. €6.0 million, i.e. 6.4% of revenue one year ago), representing an increase of +108.3% compared to June 30, 2021.

This increase reflects the significant improvement in EBITDA across this scope and illustrates operating profitability has been restored in the International scope after it returned to more normal business conditions.

2.3.4 Operating income

Operating income stood at €45.6 million, or 10.6% of revenue, vs. €30.8 million, i.e. 8.7% of revenue, at June 30, 2021.

This sharp increase mainly reflects the increase in current operating income. This mainly reflects the effects of the business combination, in the amount of -€2.1 million (impact of the consolidation of “remediation” activities). This balance at June 30, 2021 included in particular impairment losses on property, plant and equipment and goodwill in the amount of -€2.1 million.

2.3.5 Net financial income

At June 30, 2022, net financial income came to -€8.8 million compared to -€9.4 million one year earlier.

This improvement reflects:

- A stable cost of net debt at -€8.2 million, vs. -€8.1 million last year, due to the decline in the cost of gross debt to 2.56% (vs. 2.78% in H1 2021);
- The improvement in the balance of other financial income and expenses, which stood at -€0.6 million vs. -€1.2 million a year ago, mainly due to the improvement in foreign exchange income, which recorded a gain of €0.2 million vs. a negative balance of -€0.6 million a year earlier.

2.3.6 Income tax

At June 30, 2022, the income tax expense was -€9.8 million vs. -€7.2 million a year earlier.

It was -€6.6 million (vs. -€5.6 million one year ago) for France and -€3.2 million (vs. €1.6 million one year ago) for the International scope.

The effective tax rate was 26.6% (vs. 34.1% in H1 2021).

2.3.7 Share of profit of equity-accounted investees

The share of profit of equity-accounted investees comprises only the Group's share in the income of La Barre Thomas and amounted to -€0.2 million at June 30, 2022, compared with -€0.5 million a year earlier.

2.3.8 Profit of the period (attributable to company shareholders)

At June 30, 2022, profit of the period before non-controlling interests was €26.8 million.

After recognizing non-controlling interests in profit for the year, in the amount of €1.6 million (vs. €0.3 million at June 30, 2021), representing in particular non-controlling interest holdings in Solarca and Mecomer, profit of the period (attributable to company shareholders) came to €25.2 million, or 5.9% of contributed revenue (vs. €13.5 million, i.e. 3.8% of revenue in H1 2021), marking a sharp increase of 86.7% over the period.

Net earnings per share amounted to €3.23 vs. €1.72 at June 30, 2021.

COMMENTS ON CONSOLIDATED CASH FLOWS AT JUNE 30, 2022

2.4.1 Summary of cash flows

In millions of euros	06/30/2021	06/30/2022
Cash flows from operating activities	76.1	65.5
Cash flows from investing activities	(67.8)	(83.3)
Cash flows from financing activities	25.1	(31.4)
<i>Change in cash flow from continuing operations</i>	33.4	(49.2)
<i>Change in cash flow from discontinued operations</i>	-	-
Change in cash and cash equivalents	33.4	(49.2)

Over the first half of 2022, cash and cash equivalents fell from +€33.4 million to -€49.2 million at June 30, 2022.

Over the period, this change of -€82.6 million reflects the combined impact of:

- Cash flows from operating activities: -€10.6 million;
- Cash flows from investing activities: -€15.5 million;
- Cash flows from financing activities: -€56.5 million.

2.4.2 Cash flows from operating activities

In the first half of 2022, the Group generated €65.5 million in cash flows from operations (vs. €76.1 million one year earlier), a decrease of -€10.6 million.

This change reflects the combined effect of:

- The very sharp increase in cash flows from operating activities before taxes and financing costs, to €94.8 million (vs. €73.8 million one year earlier);
- The change in WCR of -€25.1 million, i.e. a decline of -€29.9 million compared to the change recorded in H1 2021. This unfavorable trend is partly due to structural causes such as the consolidation of Séché Assainissement, and also to one-off factors such as the recognition of significant receivables relating to major environmental emergency contracts executed in France in Q2;
- A net tax payment of -€4.1 million vs. -€2.4 million at June 30, 2021.

2.4.3 Cash flows from investments

In millions of euros	06/30/2021	12/31/2021	06/30/2022
Industrial investments	43.7	92.4	41.0
Financial investments	-	1.2	0.2
Investments recorded	43.7	93.6	41.2
Industrial investments	39.6	87.5	47.4
Financial investments	-	0.8	0.2
Acquisition of subsidiaries - Net cash flow	28.4	29.4	35.7
Investments paid out	68.0	117.6	83.3

In H1 2022, industrial investments amounted to €41.0 million (vs. €43.7 million over the same period of 2021).

They include:

- Recurrent investments totaling €27.2 million, representing 6.4% of contributed revenue (vs. €21.3 million, or 6.0% of contributed revenue, at June 30, 2021);
- Non-recurrent investments totaling €13.8 million, or 3.1% of contributed revenue (vs. €17.5 million, or 4.9% of contributed revenue, at June 30, 2021). These mainly concern growth investments in service and thermal treatment activities, and the rollout of the new ERP solution.

Industrial investments can be broken down between facilities as follows:

- €5.8 million in category two expenses for major maintenance and renewal (vs. €6.0 million in the first half of 2021);
- €7.7 million for energy storage and production facilities (vs. €11.0 million in the first half of 2021);
- €4.1 million in thermal treatment facilities, platforms, and other treatment facilities (vs. €3.2 million in the first half of 2021);
- €1.8 million for materials recovery facilities (vs. €0.4 million in the first half of 2021);
- €5.0 million for eco-service systems, including the vehicle fleet (vs. €3.5 million in the first half of 2021);
- €8.6 million for holding company activities, covering information systems, regulatory investments, and development investments in subsidiaries (vs. €10.1 million in the first half of 2021);
- €8.0 million in miscellaneous recurring investments, mainly in thermal treatment and storage facilities (vs. €4.6 million in the first half of 2021).

2.4.4 Cash flows relating to financing activities

The balance of financing flows, -€31.4 million at June 30, 2022, reflects:

- Flows relating to new borrowings: +€16.3 million vs. +€64.4 million in H1 2021, when a bond issue of €50 million was booked;
- Flows relating to loan repayments: -€24.6 million vs. -€21.9 million at June 30, 2021;
- Repayments of lease liabilities: -€11.9 million (including interest payments totaling €1.1 million), vs. -€10.0 million, including €0.9 million in interest payments, at June 30, 2021;
- Interest expense: -€7.4 million vs. -€6.8 million at June 30, 2021;
- Flows relating to dividends paid to non-controlling interests: -€0.9 million vs. -€0.7 million at June 30, 2021;
- Cash flows without gain of control: -€3.1 million vs. -€0.2 million at June 30, 2021;
- The €0.1 million change in treasury stock (vs. a negligible amount at June 30, 2021).

Free operating cash flow generation breaks down as follows:

In millions of euros	06/30/2021	06/30/2022
EBITDA	81.1	99.9
Other operating income and expenses	(0.3)	(0.5)
Costs of rehabilitation and maintenance on sites and assets under concession arrangements (incl. major maintenance and renewal)	(18.5)	(10.9)
Recurring operating cash flow	62.9	88.5
Net recurring investments (excl. major maintenance and renewal)	(13.4)	(25.3)
Change in WCR	4.8	(25.1)
Tax paid	(2.4)	(4.1)
Net interest payments (including interest on finance leases)	(7.7)	(8.5)
Free operating cash flow	45.1	25.5
Free operating cash flow/EBITDA	56%	26%

Recurring cash flow from operating activities⁽¹⁾ totaled €88.5 million at June 30, 2021 (vs. €62.7 million one year earlier). This +41.1% increase mainly reflects the increase in EBITDA over the period.

Free operating cash flow⁽²⁾ fell significantly by 43.5% to €25.5 million (vs. €45.1 million a year earlier).

(1) See paragraph 1.1.2 "Definitions".

(2) Free cash flow before non-recurring industrial investments, financial investments, dividends, and financial debt repayments.

This change reflects the one-off deterioration in WCR (currently inflated by client accounts receivable in connection with the very strong second-quarter activity in Decontamination and Environmental Emergencies) and, to a lesser extent, the increase in net recurring investments disbursed compared to the same period in 2021.

This produced a ratio of free cash flow to EBITDA of 26% (vs. 54% one year earlier).

2.4.5 Change in net financial debt and liquidity

The Group maintains a very favorable liquidity position and as such is confirming its financial flexibility.

The liquidity position was €341.4 million (vs. €304.3m at December 31, 2021):

- Cash balance: €121.4 million (vs. €172.2 million at December 31, 2021), with this change covering cash generation over the period less the change in current bank loans;
- Credit facilities: €20.0 million (unchanged against December 31, 2021);
- RCF: €200.0 million (vs. €150.0 million at December 31, 2021).

Over the period, Séché Environnement kept its consolidated net financial debt under control:

In millions of euros	12/31/2021	06/30/2022
Bank debt (excl. non-recourse bank loans)	139.1	134.4
Non-bank debt	27.0	25.7
Bonds	425.3	421.3
Lease liabilities	45.7	60.3
Miscellaneous financial debt	2.3	5.8
Short-term bank borrowings	7.7	4.9
Total financial debt (current and non-current)	647.1	652.4
Cash balance	172.2	121.4
Net financial debt (IFRS)	474.9	531.0
<i>o/w due in less than one year</i>	<i>(108.1)</i>	<i>(56.4)</i>
<i>o/w due in more than one year</i>	<i>583.0</i>	<i>587.4</i>

The change in net debt breaks down as follows:

In millions of euros	12/31/2021	06/30/2022
Opening net debt	450.3	474.9
Non-cash change in debt (o/w IFRS 16)	18.7	11.0
First-time consolidation	3.1	14.5
Cash flows from operating activities	(142.3)	(65.5)
Net industrial CAPEX paid	87.4	47.4
Net financial CAPEX paid	30.2	35.9
Dividends	8.5	0.9
Other financing cash flows	1.7	3.0
Net interest paid (including interest on financial leases)	17.3	8.5
Net debt at closing	474.9	531.0

The non-cash change in debt was mainly due to the new right-of-use assets under IFRS 16 over the period, amounting to €9.0 million and the impact of the conversion of €1.8 million.

The consolidation scope corresponds to financial leases (new right-of-use assets under IFRS 16) resulting from the consolidation of Séché Assainissement at January 1, 2022.

As of June 30, 2022, net debt (IFRS) amounted to €531.0 million (vs. €474.9 million at December 31, 2021, for financial leverage of 2.7x EBITDA, unchanged from December 31, 2021 (and June 30, 2021).

COMMENTS ON THE CONSOLIDATED FINANCIAL POSITION AT JUNE 30, 2022

2.5.1 Summary condensed balance sheet

In millions of euros	12/31/2021	06/30/2022
Non-current assets	809.8	890.3
Current assets (excluding cash and cash equivalents)	242.8	294.7
Cash and cash equivalents	172.2	121.4
Assets held for sale	-	-
Total assets	1,224.8	1306.4
Share capital (including non-controlling interests)	274.9	300.7
Non-current liabilities	634.6	639.3
Current liabilities	315.3	366.4
Liabilities held for sale	-	-
Total liabilities and shareholders' equity	1224.8	1306.4

2.5.2 Change in non-current assets

Over the period, total non-current assets increased by +€80.5 million and mainly broke down as follows:

- Property, plant and equipment and intangible assets: +€72.3 million. This increase notably includes changes in the consolidation scope (integration of Séché Assainissement):
 - Goodwill: +€40.4 million, including a scope effect of €36.3 million relating to the provisional allocation of the acquisition price of the “Sanitation” business to Sarp-Osis-IDF and the provisional determination of the goodwill of All’Chem;
 - Intangible assets under concession arrangements and other intangible assets: -€0.1 million;
 - Property, plant and equipment: +€32.0 million;
- Non-current operating financial assets: +€9.2 million;
- Non-current tax receivables: -€1.0 million, due to the use of deferred tax assets.

2.5.3 Change in current assets

Current assets excluding cash amounted to €294.7 million, up by €51.9 million on December 31, 2021.

This increase is mainly attributable to:

- An increase in inventories, for +€5.4 million;
- A €51.2 million increase in trade receivables, as this item includes amounts receivable related to environmental emergency contracts executed at the end of the period as well as Séché Assainissement's receivables;
- The change in operating financial assets, for -€4.7 million.

2.5.4 Change in shareholders' equity

The change in shareholders' equity (attributable to company shareholders) in the first half of 2022 breaks down as follows:

In millions of euros	Group	Non-controlling interests
Share capital at January 1, 2022	269.5	5.4
Other comprehensive income	10.5	ns
Profit of the period	25.2	1.6
Dividends paid	(7.9)	(0.9)
Treasury stock	ns	-
Business combinations	-	-
Other changes	(2.6)	(0.2)
Shareholders' equity at June 30, 2022	294.7	6.0

The main changes in shareholders' equity (attributable to company shareholders) reflect the recognition of profit of the period (attributable to company shareholders) less dividends paid to shareholders.

2.5.5 Change in current and non-current liabilities

Current and non-current liabilities break down as follows:

In millions of euros	12/31/2021			06/30/2022		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Provisions	41.5	1.8	43.3	41.9	2.9	44.8
Other liabilities and accounts payable	4.7	248.5	253.2	4.5	291.1	295.6
Deferred taxes	5.4	-	5.4	4.9	-	4.9
Income tax payable	-	0.9	0.9	-	7.4	7.4
TOTAL (excl. financial debt)	51.6	251.2	302.8	51.2	301.4	352.6
Financial debt	583.0	64.1	647.1	587.9	65.0	652.9
<i>o/w Derivatives</i>	-	-	-	4.3	-	4.3
TOTAL	634.6	315.3	949.9	639.2	366.4	1005.6

Current and non-current liabilities excluding financial debt amounted to €352.6 million, up +€53.8 million, reflecting mainly:

- A change in provisions, for +€1.5 million;
- Other liabilities including amounts due to the government - excluding income tax - for +€42.4 million (+€31.0 million due to the deferred payment of the TGAP tax on polluting activities) and other debts (including dividends payable to shareholders, totaling €7.9 million);
- The change in taxes payable, for +€6.5 million.

RELATED-PARTY AGREEMENTS

Séché Environnement Group's main transactions with related parties are presented in Note 3.2.4.20 to the interim financial statements.

RECENT EVENTS AND OUTLOOK

2.7.1 Acquisition of Assainissement 34

On July 6, 2022, Séché Environnement acquired Assainissement 34, a regional player in sanitation, property hygiene and network maintenance.

This acquisition reinforces Séché Environnement's strategy in sanitation businesses, which took shape at the beginning of the year with the creation of Séché Assainissement, incorporating the eight Sarp-Osis-IDF branches. This acquisition strengthens Séché Environnement's footprint in the region, where it is already present in Villeneuve-lès-Béziers through Triadis Services, a specialist in hazardous waste sorting and consolidation.

With annual revenue of around €4 million, this new scope will be consolidated as of July 1, 2022.

2.7.2 2022 targets raised⁽¹⁾

Resilience of Séché Environnement's markets

H1 2022 confirmed the relevance of Séché Environnement's strategy in the circular economy, hazard management and environmental services markets.

These markets are driven by ever stricter regulations on the ecological transition, and by the growing needs of its industrial and local authority clients for industrial or regional ecology solutions.

On these markets, Séché Environnement carries out essential, recurring activities that protect human health and living conditions.

Moreover, its expertise provides a long-term response to the imperatives of the ecological crisis that combined in 2022 with the consequences of the geopolitical crisis, particularly in terms of access to low-cost materials and energy resources.

Thus, the current macroeconomic environment will undoubtedly be a catalyst for industries and local authorities to accelerate their ecological transition. Séché Environnement is positioned at the heart of the growth opportunities arising from the strategic challenges of low-carbon re-industrialization and the establishment of a sustainable and responsible economy, particularly in France.

(1) See press release from March 7, 2022

For these customers, the Group has established itself as a strategic partner – already a producer of high value-added regenerated materials and recovered energy, and in the future, a producer of recycled process water. Its output is thus replacing carbon-intensive and often oil-derived fossil fuels and is attracting growing interest among customers in an environment of rising commodity prices and the possibility of shortages.

These long-term markets offer high visibility as well as external growth opportunities in France and internationally that Séché Environnement intends to seize, on a selective basis, as part of its strategy of delivering profitable growth and rounding out its regional footprint and its business offering.

Strong organic normative growth maintained in H2 2022

Séché Environnement assumes that the macroeconomic and geopolitical environment will be stable in H2 2022 compared to the first half of the year.

With this in mind, Séché Environnement is confident that its organic growth will continue in the coming months, in France and internationally, at a sustainable pace, i.e. organic growth comparable to H1 2022 excluding the contribution of significant “spot” decontamination and environmental emergency contracts in the France and International scopes.

In France, Séché Environnement will benefit from the resilience of its markets. Séché Environnement also believes that it is able to ensure its industrial waste flows will continue in the event of an economic slowdown, thanks to its consolidation and trading platform activities in France and in neighboring countries, which would enable it to maintain a satisfactory utilization rate for most of its facilities.

In addition, as a waste-to-energy producer with an energy self-sufficient rate of 230% in 2021 - 269% in France - Séché Environnement will benefit over the medium term from the rise in fossil fuel prices through the annual indexation of its energy sales contracts. This favorable situation will have its first effects in H2 2022, which will see a significant increase in the contribution of its energy sales, all other things being equal.

Finally, organic growth in H2 2022 will be bolstered by the contribution of recent acquisitions, in particular All’Chem, which will complement Speichim Processing’s production system for fine chemical products.

Internationally, Séché Environnement expects to see sustained growth in line with that of H1 (excluding the contribution of major environmental emergency contracts carried out by Spill Tech during the period).

This growth will be driven by the strong market rebound in Latin America and the rapid return to normal activity levels for Solarca (Europe and Rest of the World).

In Europe, Mecomer (Italy) saw the gradual ramp-up of its new capacities with favorable pricing, while Valls Quimica (Spain) should continue to benefit from the rise in energy prices, which bolsters its regeneration and chemical purification activities.

In South Africa, Interwaste and Spill Tech are expected to continue to expand in markets that remain buoyant in the medium term.

Upward revision of growth and profitability targets for 2022⁽¹⁾

Drawing on its economic, operational and financial achievements over the reporting period, in particular the significant contribution of decontamination and environmental emergency spot contracts, and given the anticipated contribution of energy recovery, which should remain solid in H2, Séché Environnement is revising up its growth and operating profitability forecasts for 2022.

The Group is now projecting organic growth in contributed revenue of between +5% and +10% for 2022, accompanied by an estimated gross operating margin (EBITDA/contributed revenue) of between 23% and 24% of contributed revenue.

Séché Environnement is maintaining its financial flexibility target with an expected leverage ratio of 2.7x at the end of the year (excluding acquisitions), unchanged from 2021.

⁽¹⁾ See press release from March 7, 2022

SHARE OWNERSHIP

Breakdown of share ownership and voting rights

At June 30, 2022	Shares	As a %	Voting rights	As a %
Joël Séché	1	0.00%	2	0.00%
Maxime Séché	2	0.00%	2	0.00%
Séché Group SAS ⁽¹⁾	4,859,483	61.84%	8,385,950	73.39%
Pégase-53 ⁽²⁾	564,407	7.18%	564,407	4.94%
Controlling group	5,423,893	69.02%	8,950,361	78.33%
Treasury stock ⁽³⁾	52,569	0.67%	52,569	0.46%
Employees	52,494	0.67%	84,963	0.74%
Free float	2,328,776	29.64%	2,339,106	20.47%
Total	7,857,732	100.00%	11,426,999	100.00%

(1) Séché Group SAS is majority-owned by Joël Séché and his two sons, Guillaume Séché and Maxime Séché.

(2) Pégase-53 is 60% owned by Séché Group SAS and 40% owned by Unexo, an investment company of the Crédit Agricole group.

(3) Treasury stock is stripped of voting rights. However, the table here presents the calculation of voting rights as recommended by the AMF for shareholding notification requirements.

The Company has not been informed of any changes in holdings above or below legal or statutory thresholds between January 1, 2021 and June 30, 2022.



03. Condensed interim consolidated financial statements at June 30, 2022

3.1	Condensed interim consolidated financial statements	44
3.1.1	Statement of consolidated financial position	44
3.1.2	Consolidated income statement	45
3.1.3	Consolidated statement of other comprehensive income	46
3.1.4	Statement of changes in consolidated shareholders' equity	47
3.1.5	Consolidated statement of cash flows	48
3.2	Notes to the interim consolidated financial statements	49
3.2.1	Accounting principles and methods	50
3.2.2	Main changes in consolidation scope and other significant events	54
3.2.3	Consolidation scope	56
3.2.4	Main components of the consolidated financial statements	59

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Statement of consolidated financial position

(In thousands of euros)	12/31/2021	06/30/2022	Notes
Goodwill	324,156	364,520	3.2.4.1
Intangible fixed assets under concession arrangements	36,846	34,503	3.2.4.1
Other intangible fixed assets	41,901	44,166	3.2.4.1
Property, plant and equipment	344,847	376,807	3.2.4.2
Equity-accounted investees	50	48	3.2.4.3
Other non-current financial assets	11,054	15,787	3.2.4.4
Non-current derivatives - assets	-	506	
Other non-current assets	29,516	33,533	3.2.4.6
Deferred tax assets	21,447	20,442	
Non-current assets	809,816	890,312	
Inventories	17,321	22,718	
Trade and other receivables	186,035	237,280	
Other current financial assets	3,218	4,272	3.2.4.4
Current derivatives - assets	-	-	
Other current assets	36,220	30,370	3.2.4.6
Cash and cash equivalents	172,201	121,406	3.2.4.7
Assets held for sale	-	-	
Current assets	414,996	416,045	
TOTAL ASSETS	1,224,812	1,306,358	
Share capital	1,572	1,572	
Additional paid-in capital	74,061	74,061	
Reserves	165,452	193,919	
Net income	28,384	25,172	
Shareholders' equity (attributable to company shareholders)	269,469	294,723	
Non-controlling interests	5,426	6,022	
Total shareholders' equity	274,895	300,745	3.2.4.11
Non-current financial debt	552,173	540,968	3.2.4.8
Non-current lease liabilities	30,833	42,703	3.2.4.8
Non-current derivatives - liabilities	-	4,264	3.2.4.8
Employee benefits	17,178	16,282	
Non-current provisions	24,314	25,606	3.2.4.9
Other non-current liabilities	4,722	4,513	3.2.4.6
Deferred tax liabilities	5,383	4,847	
Non-current liabilities	634,603	639,183	
Current financial debt	49,102	47,258	3.2.4.8
Current lease liabilities	14,977	17,728	3.2.4.8
Current derivatives - liabilities	-	-	3.2.4.8
Current provisions	1,810	2,908	3.2.4.9
Trade payables	137,343	128,270	3.2.4.6
Other current liabilities	111,161	162,821	3.2.4.6
Tax liabilities	922	7,444	
Liabilities held for sale	-	-	
Current liabilities	315,314	366,429	
TOTAL LIABILITIES	1,224,812	1,306,358	

The notes are an integral part of the condensed consolidated financial statements.

3.1.2 Consolidated income statement

(In thousands of euros)	06/30/2021	06/30/2022	Notes
Revenue	382,477	463,929	
Other business income	421	876	
Income from ordinary activities	382,898	464,805	3.2.4.12
Purchases used for operations	(46,095)	(65,029)	
External expenses	(132,251)	(160,064)	3.2.4.13
Taxes and duties	(32,726)	(36,114)	3.2.4.13
Employee expenses	(90,682)	(103,700)	3.2.4.13
EBITDA	81,144	99,899	
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(5,094)	(5,097)	
Depreciation & amortization, impairment, and provisions	(42,823)	(46,793)	3.2.4.14
Other operating items	(379)	(296)	3.2.4.14
Current operating income	32,848	47,712	
Other non-current items	(2,063)	(2,150)	3.2.4.15
Operating income	30,785	45,562	
Cost of net financial debt	(8,132)	(8,221)	3.2.4.16
Other financial income and expenses	(1,232)	(609)	3.3.4.16
Net financial income	(9,365)	(8,831)	
Share of profit of equity-accounted investees	(465)	(165)	-
Income tax	(7,168)	(9,760)	3.2.4.17
Profit of the period	13,787	26,806	
o/w attributable to non-controlling interests	(337)	(1,634)	
o/w attributable to company shareholders	13,450	25,172	
<i>Basic earnings per share (in euros)</i>	1.72	3.23	
<i>Diluted earnings per share (in euros)</i>	1.72	3.23	

The notes are an integral part of the condensed consolidated financial statements.

3.1.3 Consolidated statement of other comprehensive income

(In thousands of euros)	06/30/2021	06/30/2022
Other comprehensive income not subsequently reclassified to profit or loss:		
Revaluation of net liabilities (assets) of defined benefit plans ⁽¹⁾	-	4,300
Income tax effects	(197)	(1,111)
Amount before income tax (A)	(197)	3,189
<i>o/w share of equity-accounted investees</i>	-	-
Other comprehensive income subsequently reclassified to profit or loss:		
Change in net investments ⁽²⁾	2,477	4,261
Change in fair value of derivatives	95	506
Tax effect on the items listed above	(28)	(153)
Translation reserve ⁽³⁾	(863)	2,675
Amount before income tax (B)	1,681	7,290
<i>o/w share of equity-accounted investees</i>	-	-
TOTAL OTHER COMPREHENSIVE INCOME	1,484	10,479
Profit of the period	13,787	26,806
TOTAL COMPREHENSIVE INCOME	15,272	37,285
o/w attributable to company shareholders	14,952	35,632
o/w attributable to non-controlling interests	319	1,653

(1) Corresponds to the impact of the change in the discount rate at June 30, 2022 (see Note 3.2.1.3).

(2) Including €4.4 million related to the net financing of the investment in South Africa following the appreciation of the South African exchange rate.

(3) Impact of the appreciation of the Peruvian currency (see Note 3.2.4.11 c).

The notes are an integral part of the condensed consolidated financial statements.

3.1.4 Statement of changes in consolidated shareholders' equity

(In thousands of euros)	Share capital	Additional paid-in capital	Own shares	Consolidated reserves	Translation reserve	Fair value reserves	Attributable to company shareholders	Attributable to non-controlling interests	Total shareholders' equity
At December 31, 2020	1,572	74,061	(3,602)	196,778	(15,621)	(254)	252,927	4,302	257,230
Other comprehensive income	-	-	-	(197)	1,639	61	1,503	(18)	1,485
Profit of the period	-	-	-	13,450	-	-	13,450	337	13,787
Total comprehensive income	-	-	-	13,253	1,639	61	14,952	319	15,272
Capital increase	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(7,565)	-	-	(7,565)	(854)	(8,419)
Own shares	-	-	(27)	-	-	-	(27)	-	(27)
Business combinations	-	-	-	-	-	-	-	444	444
Transactions between shareholders	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
At June 30, 2021	1,572	74,061	(3,629)	202,465	(13,983)	(193)	260,286	4,212	264,497
At December 31, 2021	1,572	74,061	(3,470)	215,684	(18,370)	(0)	269,469	5,426	274,895
Other comprehensive income ⁽¹⁾	-	-	-	3,189	6,944	327	10,460	18	10,479
Profit of the period	-	-	-	25,172	-	-	25,172	1,634	26,806
Total comprehensive income	-	-	-	28,361	6,944	327	35,632	1,653	37,285
Capital increase	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(7,858)	-	-	(7,858)	(867)	(8,725)
Own shares	-	-	87	-	-	-	87	-	87
Business combinations	-	-	-	-	-	-	-	-	-
Transactions between shareholders ⁽²⁾	-	-	-	(2,604)	-	-	(2,604)	(190)	(2,794)
Other changes	-	-	-	(3)	-	-	(3)	-	(3)
At June 30, 2022	1,572	74,061	(3,383)	233,580	(11,426)	327	294,723	6,022	300,745

(1) See Note 3.1.3.

(2) Impact of the acquisition of an additional stake in the Spanish subsidiary Solarca SL, without gain of control (see Note 3.2.2.1 a).

The notes are an integral part of the condensed consolidated financial statements.

3.1.5 Consolidated statement of cash flows

(In thousands of euros)	06/30/2021	06/30/2022	Notes
Profit of the period	13,787	26,806	
Share of profit of equity-accounted investees	465	165	
Dividends from joint ventures and associates	-	-	
Depreciation & amortization, impairment, and provisions	43,089	47,003	
Gains on sales	101	(150)	
Deferred taxes	1,444	(424)	3.2.4.17
Other income and expenses	1,246	2,984	3.2.4.18
Cash flows	60,132	76,384	
Income tax	5,724	10,184	3.2.4.17
Cost of gross financial debt before long-term investments	7,940	8,237	
Cash flows from operating activities before taxes and financing costs	73,795	94,805	
Change in working capital requirement	4,753	(25,136)	3.2.4.5
Tax paid	(2,417)	(4,132)	
Net cash flows from operating activities	76,131	65,537	
Investments in property, plant and equipment and intangible assets	(41,002)	(50,080)	
Proceeds from sales of property, plant and equipment and intangible assets	1,403	2,676	
Increase in loans and financial receivables	(77)	(273)	
Decrease in loans and financial receivables	234	73	
Acquisition of subsidiaries net of cash and cash equivalents	(28,380)	(35,683)	3.2.4.18
Loss of control over subsidiaries net of cash and cash equivalents	(0)	-	
Net cash flows from investments	(67,821)	(83,288)	
Dividends paid to equity holders of the parent	(0)	(0)	
Dividends paid to holders of non-controlling interests	(715)	(867)	
Capital increase or decrease by controlling company	-	-	
Cash and cash equivalents without loss/gain of control	(168)	(3,094)	3.2.4.18
Change in own shares	24	119	
New loans and financial debt	64,555	16,306	3.2.4.8
Repayment of loans and financial debt	(21,852)	(24,562)	3.2.4.8
Net interest payments	(6,758)	(7,441)	3.2.4.8
Repayments of lease liabilities and associated financial expenses	(10,011)	(11,900)	3.2.4.8
Net cash flows from financing activities	25,075	(31,439)	
Total cash flows from continuing operations	33,385	(49,190)	
Net cash flows from discontinued operations	0	(0)	
TOTAL CASH FLOWS FOR THE PERIOD	33,385	(49,190)	
Cash and cash equivalents at beginning of year	98,184	164,520	
Cash and cash equivalents at end of year	132,251	116,480	
Effect of changes in foreign exchange rates	(683)	(1,150)	
(1) of which:	-	-	
Cash and cash equivalents	134,329	121,406	
Short-term bank borrowings and overdrafts (current financial debt)	(2,078)	(4,926)	

The notes are an integral part of the condensed consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.2.1	Accounting principles and methods	50
3.2.1.1	Basis for preparing and presenting the condensed consolidated financial statements	50
3.2.1.2	Measurement method	51
3.2.1.3	Use of estimates	51
3.2.1.4	Change in accounting method and accounting estimates	53
3.2.1.5	Comparability	53
3.2.2	Main changes in consolidation scope and other significant events	54
3.2.2.1	Main changes in the consolidation scope	54
3.2.2.2	Other significant events	55
3.2.3	Consolidation scope	57
3.2.4	Main components of the consolidated financial statements	60
3.2.4.1	Intangible fixed assets	60
3.2.4.2	Property, plant and equipment	62
3.2.4.3	Equity-accounted investees	64
3.2.4.4	Other non-current and current financial assets	64
3.2.4.5	Working capital requirement items	64
3.2.4.6	Other assets and liabilities	65
3.2.4.7	Net cash position	66
3.2.4.8	Financing and financial risk management	67
3.2.4.9	Current and non-current provisions	68
3.2.4.10	Off-balance sheet commitments	69
3.2.4.11	Shareholders' equity	70
3.2.4.12	Income from ordinary activities	72
3.2.4.13	EBITDA	73
3.2.4.14	Current operating income	74
3.2.4.15	Operating income	75
3.2.4.16	Net financial income	76
3.2.4.17	Taxes	76
3.2.4.18	Additional notes to the consolidated statement of cash flows	77
3.2.4.19	Disputes and contingent liabilities	79
3.2.4.20	Related-party agreements	79
3.2.4.21	Key events since the closing of accounts	79

3.2.1 Accounting principles and methods

3.2.1.1 Basis for preparing and presenting the condensed consolidated financial statements

The accounting principles applied as at June 30, 2022 are consistent with those applied for the consolidated financial statements as at December 31, 2021, with the exception of the standards and/or amendments adopted by the European Union with mandatory application from January 1, 2022 (available from https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en).

The condensed consolidated financial statements were approved by the Board of Directors on September 9, 2022.

The Séché Environnement Group's condensed consolidated financial statements for the interim period ended June 30, 2022 were prepared in accordance with IAS 34 Interim Financial Reporting, under which it is possible to present a selection of notes and information of a material nature, or providing an understanding of changes in the Group's business and financial position during the period.

The condensed consolidated financial statements for the period ended June 30, 2022 must therefore be read alongside the consolidated financial statements for the year ended December 31, 2021 as presented in the Annual Report - Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 14, 2022 (2021 Universal Registration Document, pages 155 and following).

The condensed consolidated financial statements are presented in thousands of euros without decimal places. Figures rounded to the nearest thousand may, in some cases, lead to insignificant disparities with respect to the totals and sub-totals presented in the tables.

a. New standards and interpretations applicable on or after January 1, 2021

The following amendments to IFRS, published by the IASB and applicable as of January¹ 2022, had no material impact on the Group's consolidated financial statements at June 30, 2022:

- Amendments to IFRS 16, IFRS 3, IAS 37, IAS 16, and annual improvements to IFRSs 2018-2020 Cycle.

b. Standards and interpretations adopted by the IASB but not yet applicable at June 30, 2022

Standard	Applicable from	Subject
Amendments to IAS 1	January 1, 2023	Classification of Liabilities as Current or Non-current
Amendments to IAS 8	January 1, 2023	Definition of Accounting Estimates
Amendments to IAS 12	January 1, 2023	Recognition of deferred tax for temporary differences related to leases and decommissioning obligations

An assessment of the impact of applying these amendments is under review. However, these provisions are not contrary to the Group's current accounting practices.

3.2.1.2 Measurement method

The condensed consolidated financial statements at June 30, 2022 are presented using the historical cost method, with the exception of the following assets and liabilities which are reported at fair value: derivatives, financial assets and liabilities measured at fair value through profit or loss and those measured at fair value through other comprehensive income and not subsequently reclassified to profit or loss.

3.2.1.3 Use of estimates

In order to prepare interim consolidated financial statements in accordance with IFRS, Management is required to exercise its judgment and make estimates and assumptions that impact the application of the Group's accounting policies and the amounts of assets and liabilities, and income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgment required for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources.

These estimates and assumptions mainly concern the valuation of goodwill and other intangible assets, the calculation of the amount of provisions and retirement obligations, the impairment of trade receivables, and the tax expense (including deferred taxes).

These assumptions, estimates or assessments are based on information or situations existing at the date of preparing the financial statements, and are detailed in the specific notes relating to each item below. They may subsequently turn out to be different from reality.

- The recoverable value of goodwill and intangible assets with an indefinite lifespan:

Over and above annual impairment tests on goodwill and intangible fixed assets that cannot be amortized, periodic tests are performed on all goodwill, property, plant and equipment and intangible fixed asset items if there is any indication of an impairment loss. Impairment is calculated by comparing the carrying amount of the asset in question with its recoverable value.

During the period, the Group concluded that there was no evidence of impairment on any cash-generating units (CGU). Peru's performance in H1 2022 was ahead of

expectations. With regard to the CICLO project in Chile, it is still on the table and Supreme Court proceedings are ongoing.

- Assessment of retirement obligations:

No new full actuarial calculation is made for the closing of the condensed financial statements. However, given the significant change in the discount rate in the first half of 2022, the valuation of retirement obligations, based on data as at 31 December 2021, was updated using a discount rate of 3%. The impact was recognized in “Other comprehensive income” for a gross amount of €4.3 million (see Notes 3.1.3 and 3.2.4.9).

Expenses for the period in respect of retirement obligations are equal to half of the amount calculated for the full year 2022 based on actuarial assumptions at December 31, 2021.

- Measurement of the tax expense:

The tax expense for the first half of the year is measured by applying the estimated effective tax rate for 2022 by country (including deferred taxes) to income before tax, adjusted for any unusual items for the period.

The Group has identified no facts or circumstances that could call into question the recoverable nature of its deferred tax assets.

- Impact of the Russia-Ukraine crisis:

The Russia-Ukraine crisis has no direct impact on the Group’s activities.

3.2.1.4 Change in accounting method and accounting estimates

There were no changes in the first half of 2022.

3.2.1.5 Comparability

At the June 30, 2021 reporting date, Spill Tech Group Holdings (Pty) Ltd and its subsidiaries had been fully consolidated in the Group's consolidated financial statements since March 1, 2021. As a result, the income statement at June 30, 2021 was impacted by four months of activity, compared with six months of activity at June 30, 2022.

(In thousands of euros)	June 30, 2021 Reported (4 months)	June 30, 2022 Reported (6 months)	Change
Revenue	11,085	24,269	13,184
EBITDA	3,409	6,659	3,249
Current operating income	2,884	5,700	2,816
Operating income	2,884	5,703	2,820
Net financial income	(55)	(43)	12
Profit of the period	2,068	4,031	1,963
o/w attributable to non-controlling interests	(70)	(761)	(692)
o/w attributable to company shareholders	1,999	3,270	1,271

The acquisition of the sanitation business at January 1, 2022 impacted the income statement and the statement of cash flows over a period of six months (see Note 3.2.2.1 b).

(In thousands of euros)	June 30, 2022 Reported
Revenue	13,026
EBITDA	1,777
Current operating income	640
Operating income	(970)
Net financial income	(245)
Profit of the period	(1,213)
o/w attributable to non-controlling interests	-
o/w attributable to company shareholders	(1,213)

Current operating income was impacted by the amortization of right-of-use assets in the amount of €1 million.

Registration fees impacted operating income in the amount of €1.6 million (see Note 3.2.4.15).

The acquisition of All'Chem had no significant impact on income for the period ended June 30, 2022 (see Note 3.2.2.1. c).

3.2.2 Main changes in consolidation scope and other significant events

The list of the Group's subsidiaries and associates is presented in Note 3.2.3 "Consolidation scope".

3.2.2.1 Main changes in the consolidation scope

a. Acquisition of an additional stake in the Spanish company Solarca SL, without taking control

On June 15, 2022, Séché Environnement exercised options allowing it to acquire the remaining 9% in Solarca SL for €2.8 million. This acquisition impacted the item "Cash and cash equivalents without gain of control" in the statement of cash flows (see Note 3.2.4.18). The Group's ownership interest increased from 91% to 100%. The acquisition impacted the Group's equity by the amount of -€2.6 million and non-controlling interests by -€0.2 million (See Note 3.1.4).

b. Acquisition of the sanitation activity from Sarp-Osis IDF

On January 1, 2022, Séché Assainissement acquired the eight sanitation facilities in the Ile-de-France region which belonged to Sarp-Osis IDF, a Veolia subsidiary. The sum of €29.3 million, out of a total price of €33.7 million, had been disbursed at June 30, 2022, impacting the line item "Acquisition of subsidiaries net of cash and cash equivalents" in the statement of cash flows (see Note 3.2.4.18). This price also affected "Goodwill and "Employee benefits" in the statement of financial position for €35.8 million and €1.8 million respectively.

This price was provisional at June 30, 2022 in light of ongoing negotiations regarding the assets and liabilities acquired and an earn-out clause to be approved in the second half of 2022.

c. Acquisition of the French company All'Chem

On 10 June 2022, Speichim took exclusive control of 100% of the French company All'Chem, which specializes in the manufacture of fine chemicals.

All'Chem is fully consolidated.

As at December 31, 2021, the company generated revenue of around €15 million and gross operating income of €0.3 million. There was no impact on first half activity at June 30, 2022.

Provisional goodwill of €0.4 million was recognized at June 30, 2022, as the estimate of the acquisition price and its allocation is under analysis. The fair value of the amount disbursed was €6.1 million, impacting the line item "Acquisition of subsidiaries net of cash and cash equivalents" in the statement of cash flows (see Note 3.2.4.18).

d. Legal restructuring operations

Energécie transferred all its assets and liabilities to Ecosite de la Croix Irtelle on January 1, 2022;

e. Creation and start-up of subsidiaries

Launch of two new South African entities: Boleng Waste (Pty) Ltd and Wisteria Environmental (Pty) Ltd:

Boleng Waste (Pty) Ltd is 83.2%-owned by Wisteria Environmental (Pty) Ltd, which is 58.90%-owned by Interwaste (Pty) Ltd. They are consolidated for the first time in 2022 on a full consolidation basis.

f. Disposals of subsidiaries

No disposals with or without loss of control were made during the period.

3.2.2.2 Other significant events

a. Signing of a unilateral promise to purchase Veolia's activities in water treatment services

In May 2022, Veolia and Séché Environnement announced the signing of a unilateral promise to purchase under which Séché Environnement has committed to acquire Veolia's industrial water treatment service activities in France. This represents the final set of antitrust remedies required by the European Commission for the merger of Veolia and Suez. The sale of the assets amounts to approximately €40 million and will be funded from Séché Environnement's available cash flow. The acquisition is subject to consultations with Veolia's employee representative organizations and the obtaining of the necessary regulatory authorizations.

b. Refinancing of the Group's main liquidity line

On March 31, 2022, the main syndicated credit line was refinanced and increased from €150 million to €200 million. The five-year facility incorporates sustainability performance criteria and is renewable twice a year. It was subscribed by 18 French, European and international banks. This line can be drawn as required and is intended for the company's general needs and for acquisitions.

3.2.3 Consolidation scope

Company name	City	Country	% interest		Consolidation method	
			12/31/2021	06/30/2022	12/31/2021	06/30/2022
PARENT COMPANY						
Séché Environnement	Changé	France	Parent	Parent	Parent	Parent
CONSOLIDATED SUBSIDIARIES						
Alcéa	Changé	France	100.00	100.00	Full	Full
All'Chem ⁽²⁾	Montluçon	France	-	100.00	-	Full
Boleng Waste (Pty) LTD ⁽⁴⁾	Gauteng	South Africa	-	40.76	-	Full
Ciclo	Quilicura	Chile	70.00	70.00	Full	Full
Depo	Milan	Italy	90.00	90.00	Full	Full
Drakenstein Energy Pty	Gauteng	South Africa	83.17	83.17	Full	Full
Drimm	Montech	France	100.00	100.00	Full	Full
East Gauteng Energy Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Ecosite de la Croix Irtelle	Changé	France	100.00	100.00	Full	Full
Energécie ⁽³⁾	Changé	France	100.00	-	Full	-
Enviroserv Polymer Solutions Pty Ltd ⁽⁶⁾	Durban	South Africa	83.17	83.17	Full	Full
Envirosure Underwriting Managers Pty Ltd ⁽⁶⁾	Brighton Beach	South Africa	70.69	70.69	Full	Full
Envirowaste SA Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Gabarre Energies	Les Abymes	France	51.00	51.00	Full	Full
Gerep	Paris	France	50.00	50.00	Equity	Equity
Greens Scrap Recycling Pty Ltd	Germiston South	South Africa	83.17	83.17	Full	Full
IberTrédi Medioambiental	Barcelona	Spain	100.00	100.00	Full	Full
Interwaste Holding Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Industrial Cleaning Pty Ltd	Gauteng	South Africa	41.59	41.59	Equity	Equity
Interwaste On-site Pty Ltd	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Petrochemicals ⁽⁵⁾	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Properties Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Pty	Gauteng	South Africa	83.17	83.17	Full	Full
IWE Fleet Sales Pty	Gauteng	South Africa	83.17	83.17	Full	Full
Kanay	Lima	Peru	100.00	100.00	Full	Full
Karu Energy	-	Guadeloupe	24.00	24.00	Equity	Equity
La Barre Thomas	Rennes	France	40.00	40.00	Equity	Equity
M53 Investments	Gauteng	South Africa	32.40	32.40	Equity	Equity
Mayenne Investment	Gauteng	South Africa	100.00	100.00	Full	Full
Masakhane Interwaste Pty Ltd	Gauteng	South Africa	48.32	48.99	Full	Full
Mecomer	Milan	Italy	90.00	90.00	Full	Full
Mo'UVE	Montauban	France	100.00	100.00	Full	Full
Moz Environmental Limitada	Maputo	Mozambique	100.00	100.00	Full	Full
Namaqua	Gauteng	South Africa	40.20	40.76	Full	Full
Opale Environnement	Calais	France	100.00	100.00	Full	Full
Platinum Waste Resources Pty Ltd	Gauteng	South Africa	42.42	42.42	Full	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
Sabsco Asia ⁽¹⁾	Singapore	Singapore	91.00	100.00	Full	Full
Sabsco Limited ⁽¹⁾	Kent	United Kingdom	91.00	100.00	Full	Full
Sabsco Malaysia ⁽¹⁾	Petaling Jaya	Malaysia	91.00	100.00	Full	Full
SCI LCDL	Changé	France	99.80	99.80	Full	Full
SCI Les Chênes Secs	Changé	France	99.80	99.80	Full	Full
SCI Mézerolles	Changé	France	99.99	99.99	Full	Full
Séché Alliance	Changé	France	100.00	100.00	Full	Full
Séché Assainissement	Changé	France	100.00	100.00	Full	Full
Séché Chile Spa	Las Condes	Chile	100.00	100.00	Full	Full
Séché Développement	Changé	France	100.00	100.00	Full	Full
Séché Eco-Industries	Changé	France	100.00	100.00	Full	Full
Séché Éco-Services	Changé	France	100.00	100.00	Full	Full
Séché Environnement Ouest	Changé	France	100.00	100.00	Full	Full
Séché Holdings SA	Gauteng	South Africa	100.00	100.00	Full	Full
Séché Health Arequipa	Lima	Peru	100.00	100.00	Full	Full
Séché Healthcare	Changé	France	100.00	100.00	Full	Full
Séché South Africa	Claremont	South Africa	83.17	83.17	Full	Full
Seche Spill Tech Holdings Pty Ltd ⁽⁶⁾	Durban	South Africa	83.17	83.17	Full	Full
Séché Transports	Changé	France	100.00	100.00	Full	Full
Séché Urgences Interventions	La Guerche-de-Bretagne	France	100.00	100.00	Full	Full
Sem Trédi	Mexico City	Mexico	100.00	100.00	Full	Full
Sénergies	Changé	France	80.00	80.00	Full	Full
Sénéval	Strasbourg	France	99.90	99.90	Full	Full
Metal Treatment Technology Pty Ltd ⁽¹⁾	Singapore	Singapore	91.00	100.00	Full	Full
Sogad	Le Passage	France	50.00	50.00	Equity	Equity
Solarca Chile Colectiva Civil ⁽¹⁾	Las Condes	Chile	90.09	99.00	Full	Full
Solarca France ⁽¹⁾	Marseille	France	85.05	93.46	Full	Full
Solarca Maroc ⁽¹⁾	Tangier	Morocco	91.00	100.00	Full	Full
Solarca Portugal ⁽¹⁾	Setubal	Portugal	91.00	100.00	Full	Full
Solarca Qatar ⁽¹⁾	Doha	Qatar	44.59	49.00	Full	Full
Solarca Russia ⁽¹⁾	Moscow	Russia	91.00	100.00	Full	Full
Solarca SL ⁽¹⁾	La Selva Del Camp	Spain	91.00	100.00	Full	Full
Solarca South Africa ⁽¹⁾	Gauteng	South Africa	91.00	100.00	Full	Full
Solena	Viviez	France	60.00	60.00	Full	Full
Solena Valorisation	Viviez	France	60.00	60.00	Full	Full
Soluciones Ambientales Del Norte	Antofagasta	Chile	100.00	100.00	Full	Full
Sotrefi	Etupes	France	100.00	100.00	Full	Full
Sovatrise	Chassieu	France	65.00	65.00	Full	Full
Speichim Processing	Saint-Vulbas	France	100.00	100.00	Full	Full
Spill Tech Pty Ltd ⁽⁶⁾	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech (Gauteng) Pty Ltd ⁽⁶⁾	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech Group Holding Pty Ltd ⁽⁶⁾	Durban	South Africa	83.17	83.17	Full	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
Spill Tech Hire Pty Ltd ⁽⁶⁾	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech Industrial Cleaning Pty Ltd ⁽⁶⁾	Congella	South Africa	83.17	83.17	Full	Full
Therm-Service	Seevetal	Germany	91.00	100.00	Full	Full
Trédi Argentina	Buenos Aires	Argentina	100.00	100.00	Full	Full
Trédi SA	Saint-Vulbas	France	100.00	100.00	Full	Full
Triadis Services	Etampes	France	100.00	100.00	Full	Full
Uper Retiers	Changé	France	100.00	100.00	Full	Full
UTM	Lübeck	Germany	100.00	100.00	Full	Full
Valls Quimica	Valls	Spain	100.00	100.00	Full	Full
Varenne Investments Pty Ltd	Gauteng	South Africa	100.00	100.00	Full	Full
Wisteria Environmental (Pty) Ltd ⁽⁴⁾	Gauteng	South Africa	-	48.99	-	Full

(1) See Note 3.2.2.1.a

(2) See Note 3.2.2.1.c

(3) See Note 3.2.2.1.d

(4) See Note 3.2.2.1.e

(5) Through a preference share arrangement with Interwaste, all of Petrochemicals' profits and shareholders' equity are attributable to company shareholders (83.17% due to the Group's interest in Séché South Africa) for a specified period.

(6) Through a preference share arrangement with Séché Holdings SA, all dividends paid by Séché Spill Tech Holdings and its subsidiaries, plus 85% of dividends paid by EnviroSure Underwriting Managers Pty Ltd, are attributed to company shareholders without taking into account the 16.83% attributable to non-controlling equity interests for a specified period.

3.2.4 Main components of the consolidated financial statements

3.2.4.1 Intangible fixed assets

a. Goodwill

Goodwill by cash-generating unit (CGU) breaks down as follows:

(In thousands of euros)	France	Germany	Spain	Chile	Peru	South Africa	Italy	Total
Gross value								
At December 31, 2021	257,255	3,582	12,051	9,117	20,786	19,205	28,947	350,942
Change in consolidation scope	36,253	-	-	-	-	-	-	36,253
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(143)	3,071	1,183	-	4,111
Other	-	-	-	(0)	0	(0)	-	0
At June 30, 2022	293,508	3,582	12,051	8,974	23,856	20,389	28,947	391,306
Impairment								
At December 31, 2021	(20,220)	-	(5,674)	-	(893)	-	-	(26,786)
Change in consolidation scope	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
At June 30, 2022	(20,220)	-	(5,674)	-	(893)	-	-	(26,786)
Net value								
At December 31, 2021	237,035	3,582	6,377	9,117	19,893	19,205	28,947	324,156
Change in consolidation scope	36,253	-	-	-	-	-	-	36,253
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(143)	3,071	1,183	-	4,111
Other	-	-	-	(0)	0	(0)	-	0
At June 30, 2022	273,288	3,582	6,377	8,974	22,964	20,389	28,947	364,520

The line “Change in consolidation scope” corresponds to the provisional allocation of goodwill on the sanitation activity acquired from Sarp-Osis IDF for €35.8 million (see Note 3.2.2.1 b) and on the French company All’Chem for €0.4 million (see Note 3.2.2.1 c).

b. Other intangible fixed assets

(In thousands of euros)	Software, patents	Intangible fixed assets under concession arrangements	Other intangible fixed assets	Total
Gross value				
At December 31, 2021	10,573	65,215	58,722	134,510
Acquisitions	1,633	(0)	3,213	4,846
Disposals	(695)	(0)	(0)	(695)
Change in consolidation scope	324	-	0	324
Currency translation differences	102	(0)	513	615
Change in accounting method	-	-	-	-
Other	279	-	(53)	226
At June 30, 2022	12,216	65,214	62,395	139,825
Depreciation & amortization and impairment				
At December 31, 2021	(8,512)	(28,369)	(18,882)	(55,762)
Allocations	(894)	(2,343)	(2,052)	(5,288)
Impairment	-	-	-	-
Disposals	695	-	0	695
Change in consolidation scope	(191)	-	-	(191)
Currency translation differences	(44)	-	(349)	(393)
Other	(237)	-	20	(217)
At June 30, 2022	(9,182)	(30,711)	(21,263)	(61,156)
Net value				
At December 31, 2021	2,062	36,846	39,840	78,747
At June 30, 2022	3,034	34,503	41,132	78,669

3.2.4.2 Property, plant and equipment

(In thousands of euros)	Land	Buildings	Tech. Inst.	Transportation equipment	Fixtures & Office equipment	Fixed assets under construction	Leases	Total
Gross value								
At December 31, 2021	47,907	207,406	450,836	52,975	121,268	41,714	99,957	1,022,063
Acquisitions	439	2,317	12,104	2,339	2,071	17,174	9,043	45,488
Disposals	(456)	(845)	(6,761)	(3,719)	(176)	(6)	(2,200)	(14,162)
Change in consolidation scope	371	205	17,146	1,089	4,192	469	14,520	37,991
Currency translation differences	856	1,458	1,015	2,312	809	295	2,133	8,878
Other	159	4,168	25,121	(3,972)	(7,679)	(12,475)	(6,540)	(1,218)
At June 30, 2022	49,276	214,710	499,461	51,023	120,486	47,171	116,913	1,099,040
Depreciation & amortization and impairment								
At December 31, 2021	(11,653)	(148,025)	(346,179)	(36,966)	(82,539)	-	(51,853)	(677,216)
Allocations	(379)	(7,926)	(15,679)	(2,748)	(3,500)	-	(9,364)	(39,596)
Impairment	71	47	222	-	0	-	-	339
Disposals	71	283	6,260	3,238	119	-	1,662	11,634
Change in consolidation scope	-	(0)	(13,214)	(38)	(1,312)	(72)	-	(14,635)
Currency translation differences	(229)	(775)	(676)	(1,456)	(642)	-	(824)	(4,602)
Other	(0)	(39)	(11,447)	2,907	3,552	-	6,870	1,843
At June 30, 2022	(12,120)	(156,435)	(380,713)	(35,063)	(84,322)	(72)	(53,510)	(722,233)
Net value								
At December 31, 2021	36,254	59,382	104,657	16,009	38,728	41,714	48,104	344,847
At June 30, 2022	37,156	58,275	118,748	15,961	36,164	47,099	63,403	376,807

The “Change in consolidation scope” line item, showing a net amount of €23 million, is due to the provisional fair value recognition of the assets of the Sarp-Osis IDF sanitation business (see Note 3.2.2.1 b) and All’Chem (see Note 3.2.2.1 c) for €16 million and €7 million, respectively.

The net impact of currency translation differences of €4.3 million was mainly due to the appreciation of the South African and Peruvian currencies at June 30, 2022.

Lease contracts break down as follows:

(In thousands of euros)	Land	Buildings	Tech. Inst.	Transportation equipment	Fixtures and fittings	Total leases
Gross value						
At December 31, 2021	1,632	37,720	25,741	34,281	583	99,957
Acquisitions	157	2,830	3,039	3,010	8	9,043
Disposals	-	(609)	(309)	(1,282)	-	(2,200)
Change in consolidation scope	-	3,180	-	11,340	-	14,520
Currency translation differences	-	565	565	975	29	2,133
Other	-	(39)	(4,067)	(2,424)	(10)	(6,540)
At June 30, 2022	1,790	43,646	24,969	45,899	609	116,913
Depreciation & amortization and impairment						
At December 31, 2021	(723)	(17,901)	(18,026)	(14,954)	(250)	(51,853)
Allocations	(137)	(2,695)	(2,915)	(3,542)	(75)	(9,364)
Impairment	-	-	-	-	-	-
Disposals	-	447	225	990	-	1,662
Change in consolidation scope	-	-	-	-	-	-
Currency translation differences	-	(210)	(253)	(350)	(11)	(824)
Other	(0)	134	5,595	1,131	10	6,870
At June 30, 2022	(860)	(20,225)	(15,374)	(16,725)	(325)	(53,510)
Net amounts						
At December 31, 2021	909	19,819	7,715	19,327	333	48,104
At June 30, 2022	929	23,421	9,594	29,174	284	63,403

Lease expenses are analyzed in Note 3.2.4.13 a).

3.2.4.3 Equity-accounted investees

At June 30, 2022, as at December 31, 2021, equity-accounted investees correspond solely to the interest in La Barre Thomas.

The negative share of other equity interests is presented in non-current provisions for €1.9 million at June 30, 2022, versus €1.8 million at December 31, 2021 (see Note 3.2.4.9).

3.2.4.4 Other non-current and current financial assets

(In thousands of euros)	December 31, 2021			June 30, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Equity instruments	388	-	388	341	-	341
<i>Deposits and guarantees</i>	3,179	155	3,334	3,418	171	3,589
Loans	2,595	129	2,724	2,596	73	2,669
<i>Concession operating receivables</i>	4,892	2,933	7,826	9,431	4,028	13,459
Financial loans and receivables	10,666	3,218	13,884	15,445	4,272	19,717
Other financial assets	11,054	3,218	14,272	15,787	4,272	20,059

3.2.4.5 Working capital requirement items

a. Net change in working capital requirement (WCR)

At June 30, 2022:

(In thousands of euros)	December 31, 2021	Change in WCR	Change in consolidation scope	Translation differences	Other	June 30, 2022
Inventories	17,321	2,223	3,028	145	-	22,718
Trade and other receivables	186,035	44,976	4,568	1,964	(264)	237,280
<i>o/w trade receivables</i>	183,613	39,893	4,539	2,099	2,813	232,958
<i>Impairment of trade receivables</i>	(6,013)	66	-	(162)	-	(6,109)
Other current assets	36,220	(3,607)	1,164	356	(3,764)	30,370
Other non-current assets	29,516	-	-	97	3,920	33,533
<i>Other assets excluding WCR</i>	(2,976)	(416)	-	(275)	(2,673)	(6,341)
Asset items	266,116	43,177	8,760	2,287	(2,781)	317,559
Trade payables	137,343	(13,352)	2,699	1,614	(34)	128,270
Other current liabilities	105,940	31,091	14,382	4,859	6,549	162,821
<i>Other liabilities excluding WCR</i>	(19,406)	301	(4,673)	(163)	93	(23,849)
Liability items	223,877	18,040	12,407	6,310	6,607	267,242
WCR	42,239	25,136	(3,647)	(4,023)	(9,388)	50,317

The increase in WCR was mainly due to the rise in trade receivables at June 30, 2022. This increase was due to the first-time consolidation of Sarp-Osis IDF's activity in Séché Assainissement and the strong levels of business recorded by some subsidiaries at the end of the period. At June 30, 2022, the company made use of a factoring solution, unlike on June 30, 2021 (see Note 3.2.4.5 b).

The "Change in consolidation scope" column, showing -€3.6 million corresponds to the impact of the provisional fair value measurement of the identifiable assets and liabilities acquired with the Sarp-Osis IDF sanitation business and All'Chem (see Note 3.2.2.1) for -€1.6 million and -€2 million.

At June 30, 2021:

(In thousands of euros)	December 31, 2020	Change in WCR	Change in consolidation scope	Translation differences	Other	June 30, 2021
Inventories	15,009	935	1,651	139	-	17,733
Trade and other receivables	171,023	26,812	5,741	1,128	340	205,044
<i>o/w trade receivables</i>	168,267	26,038	5,667	1,122	156	201,250
<i>Impairment of trade receivables</i>	(5,259)	(1,408)	(5)	(6)	194	(6,484)
Other current assets	32,103	(3,791)	102	16	141	28,572
Other non-current assets	35,930	(4,318)	-	(0)	(84)	31,528
<i>Other assets excluding WCR</i>	(3,062)	3	(8)	(10)	126	(2,951)
Asset items	251,003	19,640	7,487	1,272	523	279,925
Trade payables	115,150	4,690	2,299	492	(165)	122,467
Other current liabilities	117,728	27,534	1,101	3,611	(2,531)	147,443
<i>Other liabilities excluding WCR</i>	(24,438)	(7,832)	(232)	(226)	(147)	(32,875)
Liability items	208,440	24,391	3,168	3,878	(2,843)	237,034
WCR	42,564	(4,753)	4,318	(2,605)	3,368	42,891

b. Trade and other receivables

Factoring

The amount of assigned receivables derecognized at June 30, 2022 was €24.4 million. No factoring transactions had been carried out at June 30, 2021.

3.2.4.6 Other assets and liabilities

(In thousands of euros)	December 31, 2021			June 30, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Government	-	24,193	24,193	-	21,625	21,625
Tax receivables	-	1,561	1,561	-	2,056	2,056
Prepayments	-	1,390	1,390	-	2,708	2,708
Social insurance receivables	-	397	397	-	620	620
Amounts receivable on disposal of fixed assets	-	902	902	984	2	986
Other receivables	0	7,414	7,414	2,799	3,079	5,878
Current account receivables	-	363	363	-	280	280
Other assets	0	36,220	36,220	3,783	30,370	34,152

Miscellaneous receivables and receivables on disposals of fixed assets mainly consist of insurance indemnities, a portion of which was reclassified as non-current receivables, in the amount of €3.8 million at June 30, 2022. In addition, the factoring security deposit, corresponding to 5% of the amount of assigned receivables, totaled €1.2 million at June 30, 2022 versus €1.3 million at December 31, 2021.

(In thousands of euros)	December 31, 2021			June 30, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Debts on acquisitions of fixed assets	4,545	19,406	23,951	4,480	15,991	20,471
Prepayments received	-	6,145	6,145	-	13,745	13,745
Social insurance payables	-	32,995	32,995	-	37,874	37,874
State (excluding income tax)	-	36,943	36,943	-	68,061	68,061
Current account credit balances	-	1,017	1,017	-	1,972	1,972
Expenses payable	-	472	472	-	1,386	1,386
Other debts	-	720	720	-	7,868	7,868
Other equity	33	-	33	33	-	33
Liabilities for renewal of assets under concession arrangements	144	7,061	7,205	-	7,573	7,573
Prepaid income	-	6,402	6,402	-	8,351	8,351
Other current and non-current liabilities	4,722	111,162	115,884	4,513	162,821	167,334

Debts on fixed asset purchases at June 30, 2022 included €8.4 million in earnout payments, versus €3.9 million at 31 December 2021. The balance of €11.6 million corresponds to debts on acquisitions of intangible assets and property, plant and equipment, mainly linked to investment projects in France.

Advances and down payments received at June 30, 2022 totaled €6.8 million, impacted by All'Chem acquired in June 2022 (see Note 3.2.2.1 c).

The increase in the “State (excluding corporation tax)” line is due to the payment of the first interim instalment of the TGAP tax on polluting activities in the second half of the year. (See Note 3.2.4.5.a).

“Other debts” increased due to the dividends due to be paid to Séché Environnement’s shareholders at the beginning of July 2022, for an amount of €7.9 million (see Note 3.2.4.11 f).

3.2.4.7 Net cash position

(In thousands of euros)	December 31, 2021	June 30, 2022
Cash	152,157	101,361
Cash and cash equivalents	20,044	20,045
Cash and cash equivalents	172,201	121,406
Bank overdrafts	7,682	4,926
Net cash position	164,520	116,480

Cash equivalents are mainly held by Séché Environnement and essentially correspond to money market UCITS.

3.2.4.8 Financing and financial risk management

(In thousands of euros)	December 31, 2021	Change	New	Repayments	Change in consolidation scope	Currency translation differences	Other	June 30, 2022
Bank loans	166,061	0	16,293	(24,561)	527	1,724	10	160,055
Bonds	425,280	-	-	-	-	-	(4,023)	421,258
Lease liabilities	45,724	(0)	9,044	(10,832)	14,520	1,261	621	60,336
Derivatives	(0)	-	-	-	-	-	3,758	3,758
Other financial debt (incl. accrued interest)	2,337	(259)	-	(0)	(5)	6	3	2,083
Short-term bank borrowings	7,682	(3,219)	-	-	463	(0)	-	4,926
Gross debt	647,084	(3,478)	25,337	(35,394)	15,505	2,991	370	652,416
Cash and cash equivalents	172,201	(24,558)	-	-	(27,403)	1,150	15	121,406
Net debt	474,883	21,080	25,337	(35,394)	42,909	1,841	355	531,010

Derivatives were set up during the first half of 2022, impacting the “Other” column at the level of “Bonds” and “Derivatives” (see Note 3.2.4.8 c).

The change in scope of lease liabilities is mainly related to the recognition of the provisional fair value of leases in connection with the acquisition of the Sarp-Osis IDF sanitation business (see Note 3.2.4.2).

The change in scope of cash and cash equivalents is the result of the acquisitions of Sarp-Osis IDF’s sanitation business and of All’Chem (see Note 3.2.2.1).

a. Debt maturity and gross debt

(In thousands of euros)	June 30, 2022	Less than 1 year	1-5 years	More than 5 years	Fixed rate	Variable rate
Bank loans	160,055	40,388	94,366	25,301	130,823	29,231
Bonds	421,258	-	76,577	344,681	421,258	-
Leases	60,336	17,633	38,431	4,273	42,926	17,413
Derivatives	3,758	-	-	3,758	(506)	4,264
Other financial debt (incl. accrued interest)	2,083	2,041	12	30	2,022	59
Short-term bank borrowings	4,926	4,926	-	-	4,900	26
Total	652,416	64,987	209,386	378,043	601,424	50,993

Financial debt is 95% contracted in euros.

b. Exposure to interest rate risk

Fixed rate exposures account for 77% of the Group's debt, while variable rate debt accounts for 23%.

The sensitivity analysis consists of calculating the impact of any upward or downward movement of the interest rate prevailing on the balance sheet date.

An increase of 1% in interest rates on the nominal amount of gross debt would increase the cost of financial debt by €1.1 million; a 1% decrease in interest rates would generate additional income of €1 million.

The Group used interest rate derivatives in the first half of 2022, unlike at 31 December 2021 (see Note 3.2.4.8 c).

c. Derivatives

In the first half of 2022, in France, the Group set up two interest rate derivatives (swaps) of €50 million each maturing in November 2028, to apply a variable rate to part of the €300 million bond issued in November 2021.

The fair value of this swap was €4.2 million, while the fair value of the bond was €4.3 million at June 30, 2022. The net difference, of +€0.1 million, is recognized in the cost of gross financial debt.

A swap has also been set up by the Italian subsidiary Mecomer. This swap covers a variable-rate loan to hedge the risk of interest rate fluctuations. The fair value of this swap maturing in 2029 is €0.5 million, recognized in "Other comprehensive income" (see Note 3.1.3).

The Group had not used any derivatives at June 30, 2021.

3.2.4.9 Current and non-current provisions

Current and non-current provisions break down as follows:

(In thousands of euros)	December 31, 2021	Allocations	Write-backs used	Write-backs not used	Change in consolidation scope	Other comprehensive income	Currency translation differences	Other	June 30, 2022
Employee benefits ⁽¹⁾	17,178	1,110	(168)	(157)	2,618	(4,300)	2	(1)	16,282
Other non-current provisions ⁽²⁾	24,314	643	(29)	(168)	28	-	356	461	25,606
NON-CURRENT PROVISIONS	41,492	1,753	(197)	(325)	2,646	(4,300)	358	461	41,888
Provisions for litigation ⁽³⁾	716	908	-	-	64	-	(9)	(0)	1,679
Provisions for other costs ⁽⁴⁾	1,094	271	0	(40)	-	-	11	(108)	1,229
CURRENT PROVISIONS	1,810	1,179	0	(40)	64	-	3	(108)	2,908
TOTAL	43,302	2,932	(197)	(365)	2,710	(4,300)	360	353	44,796

(1) See Note 3.2.1.3.

(2) The "Other non-current provisions" line breaks down as follows:

- Provisions for thirty-year monitoring: €20.4 million at June 30, 2022 versus €19.4 million at December 31, 2021; the accretion impacted the "Other" column.
- Provisions for other risks: €3.5 million at June 30, 2022 versus €3.2 million at December 31, 2021, including the negative share of equity-accounted investees (see Note 3.2.4.3);
- Provisions for employee disputes: €1.7 million at June 30, 2022, compared to €1.6 million at December 31, 2021, mainly due to an additional asbestos risk at Trédi;

(3) Corresponds to tax disputes risks in France for €0.8 million and additional VAT risk in South Africa for €0.9 million;

(4) Mainly includes commercial disputes, mostly in France.

3.2.4.10 Off-balance sheet commitments

(In thousands of euros)	December 31, 2021	June 30, 2022
Commitments given in the ordinary course of business	165,880	176,447
Commitments given in connection with Group debt	38,591	36,761
Commitments given	204,471	213,207
Commitments received	-	-
Off-balance sheet commitments	204,471	213,207

a. Off-balance sheet commitments arising from normal operations

(In thousands of euros)	December 31, 2021	June 30, 2022
Financial guarantees ⁽¹⁾	81,320	89,226
Guarantees and bonds (given)	61,255	58,032
Lease commitments on contracts not restated for IFRS 16	20,055	24,592
Other commitments arising from normal operations	3,250	4,597
Commitments given in the ordinary course of business	165,880	176,447

(1) Sureties pledged to a financial institution on the setting up of guarantees granted by it under the Ministerial Order of February 1, 1996.

b. Off-balance sheet commitments given or received in connection with Group debt

(In thousands of euros)	December 31, 2021	June 30, 2022
Sureties and letters of intent - Other liabilities	28,382	27,851
Property, plant and equipment and intangible assets pledged as guarantees and collateral	10,209	8,910
Commitments given in connection with Group debt	38,591	36,761

As part of its asset financing operations, the Company signed commitments not to sell the shares it holds in Sénergies and Séché Éco-Industries.

All the off-balance sheet commitments shown above cover debts carried in the balance sheet.

In connection with its public service delegation contracts, Séché Environnement issues a performance guarantee to the contracting authorities.

c. Other off-balance sheet commitments

This breakdown of the Group's off-balance sheet commitments includes all significant off-balance sheet commitments in line with current accounting standards.

3.2.4.11 Shareholders' equity

a. Breakdown of share capital

The share capital of Séché Environnement is composed of 7,857,732 shares with a par value of €0.20 each, fully paid up as at June 30, 2022, unchanged from December 31, 2021. The number of shares with a double voting right at June 30, 2022 was 3,569,267, versus 3,567,121 at December 31, 2021.

b. Additional paid-in capital

Additional paid-in capital is made up exclusively of additional paid-in capital from the different capital increases, net of charges.

c. Translation reserve

Foreign exchange rate adjustments varied by €6.9 million, of which €2.7 million resulting from the conversion of equity of subsidiaries outside the eurozone, linked to the appreciation of the Peruvian currency, and €4.2 million reflecting the impact of changes in net investments (see Note 3.1.3).

The main exchange rates used (euro/currency) for the translation of balance sheet items (closing rate) and income statement items (average rate) are the following:

For 1 euro	ZAR	PEN	CLP
2021.06			
Average rate	17.53	4.49	867.92
2021.12			
Average rate	17.48	4.59	898.25
Closing rate	18.06	4.53	957.94
2022.06			
Average rate	16.85	4.13	902.93
Closing rate	17.01	3.94	973.16

d. Own shares

At June 30, 2022, Séché Environnement held 52,569 of its own shares, representing 0.46 % of the Company's share capital.

At December 31, 2021, it held 54,022 of its own shares, representing 0.69 % of the Company's share capital.

e. Earnings per share

Net earnings per share shown at the bottom of the income statement is the ratio of net income attributed to the parent company's shareholders to the weighted average number of shares comprising the parent company's share capital which are in circulation over the period, i.e. €3.23.

The Group has no dilutive instruments, so diluted EPS is equal to net EPS.

f. Dividends

In the first half of 2022, the Annual General Meeting of Séché Environnement approved the payment of €7,857,732.00 in dividends for the 2021 financial year, representing €1.00 per share. Payment was made in July 2022.

3.2.4.12 Income from ordinary activities

a. Breakdown of revenue by type

(In thousands of euros)	June 30, 2021	June 30, 2022
Services	138,554	190,181
Circular economy and decarbonization	121,112	132,550
Hazard management	94,980	106,457
Contributed revenue	354,646	429,189
IFRIC 12 revenue	4,892	7,061
TGAP revenue	22,939	27,680
Total revenues	382,477	463,929
Other business income	421	876
Income from ordinary activities	382,898	464,805

The company Mo'UVE holds the public service concession granted by the Sirtomad waste treatment joint venture in Montauban for a period of 20 years (2021-2040). The financial fee received by the company for construction work was recognized as work in progress, in accordance with the IFRIC 12 interpretation, in the amount of €7.1 million.

b. Breakdown of contributed revenue by type of waste

(In thousands of euros)	June 30, 2021	June 30, 2022
Hazardous waste treatment	228,638	275,007
Non-hazardous waste treatment	126,008	154,182
Contributed revenue	354,646	429,189

c. Breakdown of contributed revenue by geographic region

(In thousands of euros)	June 30, 2021	June 30, 2022
France ⁽¹⁾	261,190	299,419
Europe (outside France)	40,368	53,266
South America	6,038	13,328
South Africa	44,758	59,678
Rest of world	2,291	3,497
Contributed revenue	354,646	429,189

(1) IFRIC 12 non-contributed revenue and the TGAP are generated exclusively in France.

d. Contract assets and liabilities

Under IFRS 15, the amounts of contract assets and liabilities included in “Other current assets” and “Other current liabilities” in the consolidated financial position must be detailed.

(In thousands of euros)	December 31, 2021	June 30, 2022
Contract assets	32,812	50,579
Contract liabilities	6,402	8,351

The increase in contract assets was mainly recorded in France for nearly €10 million.

3.2.4.13 EBITDA

a. External expenses

(In thousands of euros)	June 30, 2021	June 30, 2022
Subcontracting	(80,431)	(94,539)
Lease expenses	(9,270)	(12,864)
Maintenance and repairs	(16,355)	(19,521)
Insurance	(5,840)	(6,220)
Other external expenses	(20,356)	(26,919)
External expenses	(132,251)	(160,064)

The rise in external expenses is the result of the improvement in activity and the acquisitions made in the first half of 2022.

Lease expenses break down as follows:

(In thousands of euros)	June 30, 2021	June 30, 2022
<i>Amortization of right-of-use assets</i>	(7,796)	(9,365)
<i>Interest on lease liabilities</i>	(868)	(1,072)
Expenses on lease payments restated under IFRS 16	(8,664)	(10,437)
<i>Variable, short-term and/or low value lease payments</i>	(9,270)	(12,864)
Lease payments recorded as external expenses	(9,270)	(12,864)
Total	(17,933)	(23,300)

b. Taxes and duties

(In thousands of euros)	June 30, 2021	June 30, 2022
Tax, duties and related payments	(4,286)	(4,264)
TGAP	(24,687)	(29,354)
Property ownership tax	(3,140)	(1,796)
Other	(612)	(699)
Taxes and duties	(32,726)	(36,114)

The decrease in the “Property Ownership Tax” line is explained by a reduction in French corporate tax rates in the 2021 Finance Act, which was not recognized at June 30, 2021.

c. Payroll costs

(In thousands of euros)	June 30, 2021	June 30, 2022
Wages and salaries (including social security expenses)	(88,771)	(101,776)
Profit-sharing and incentive schemes	(1,924)	(1,924)
Contributions towards end-of career payments	13	-
Employee expenses	(90,682)	(103,700)

3.2.4.14 Current operating income

a. Operating income and expenses

(In thousands of euros)	June 30, 2021	June 30, 2022
Losses on bad debts	(33)	(23)
Other	(491)	(283)
Operating expenses	(524)	(306)
Operating income	145	10
Other operating items	(379)	(296)

b. Net allocations to depreciation & amortization, provisions and impairment

(In thousands of euros)	June 30, 2021	June 30, 2022
Amortization of intangible fixed assets	(5,091)	(5,288)
Depreciation of property, plant and equipment	(27,152)	(30,232)
Amortization of right-of-use assets	(7,796)	(9,365)
Amortization of deferred expenses	(4)	-
Net allocations to depreciation & amortization	(40,042)	(44,885)
Net impairment of fixed assets	29	339
Net impairment of inventories, trade receivables and other assets	(1,497)	122
Net change in current and non-current provisions	(1,313)	(2,369)
Net allocations to provisions and impairment	(2,781)	(1,908)
Depreciation & amortization, impairment, and provisions	(42,823)	(46,793)

The line “Net impairment of inventories, trade receivables, and other assets” corresponds mainly to the impairment of trade receivables. Impairment mainly concerns assets located in France and Spain.

The “Net change in current and non-current provisions” is explained in Note 3.2.4.9.

3.2.4.15 Operating income

(In thousands of euros)	June 30, 2021	June 30, 2022
Intangible fixed assets	5	150
Property, plant and equipment	(43)	1
Consolidated securities	(3)	-
Non-consolidated securities	-	-
Income on disposal of fixed assets	(41)	151
Impairment	(1,648)	-
Business combination effects	(356)	(2,066)
Other	(18)	(235)
Other non-current items	(2,063)	(2,150)

The “Impairment” line at June 30, 2021 was due to impairment losses on:

- goodwill on the Peruvian company Kanay, for €0.9 million;
- property, plant and equipment at Moz Environmental, following damage to the site, for an amount of €0.8 million.

At June 30, 2022, the effects of business combinations correspond mainly to amounts incurred for the acquisition of the sanitation business (see Notes 3.2.2.1 b and 3.2.1.5).

At June 30, 2021, the effects of business combinations corresponded mainly to amounts incurred for the acquisition of Spill Tech Group.

3.2.4.16 Net financial income

a. Breakdown of the cost of net financial debt

(In thousands of euros)	June 30, 2021	June 30, 2022
Income from cash and cash equivalents	149	269
Interest expenses on borrowings ⁽¹⁾	(8,186)	(8,754)
Income from derivatives	(96)	264
Cost of gross financial debt	(8,281)	(8,490)
Cost of net financial debt	(8,132)	(8,221)

(1) o/w an interest expense of €5.4 million at Séché Environnement (vs. €5 million at June 30, 2021).

b. Breakdown of other financial income and expenses

(In thousands of euros)	June 30, 2021	June 30, 2022
Net income on sales of financial fixed assets	(75)	-
Accretion of 30-year provisions	(150)	(298)
Fair value of equity instruments	(91)	(88)
Other impairment losses and provisions	0	(0)
Foreign exchange gain (loss)	(557)	151
Other ⁽¹⁾	(359)	(375)
Other financial income and expenses	(1,232)	(609)

(1) These are mainly fees related to the setting up of the new confirmed, undrawn, syndicated credit line (see Note 3.2.2.2 c).

3.2.4.17 Taxes

(In thousands of euros)	June 30, 2021	June 30, 2022
Income tax payable	(5,724)	(10,184)
<i>France</i>	(3,179)	(6,188)
<i>Rest of world</i>	(2,545)	(3,996)
Deferred tax	(1,444)	424
<i>France</i>	(2,378)	(318)
<i>Rest of world</i>	933	743
Total	(7,168)	(9,760)

The net tax expense for the financial year is broken down between:

- A tax expense of €6.5 million for the French subsidiaries (€5.6 million in June 2021), mainly related to Séché Environnement SA's consolidated tax group comprising 20 subsidiaries;
- A tax expense of €3.2 million for the foreign subsidiaries (€1.9 million in June 2021).

In the first half of 2022, the tax loss carryforwards applied at December 31, 2021 were not adjusted (see Note 3.2.1.3).

The Group's effective tax rate stood at 26.6 % at June 30, 2022, compared with 33.5% at June 30, 2021.

(In thousands of euros)	June 30, 2021	June 30, 2022
Profit of the period	13,787	26,806
<i>Share of profit of equity-accounted investees</i>	(465)	(165)
<i>Income tax</i>	(7,168)	(9,760)
Profit before tax and income from equity-accounted investees	21,420	36,731
Effective tax rate	33.5%	26.6%

3.2.4.18 Additional notes to the consolidated statement of cash flows

a. Other income and expenses

Other income and expenses calculated at June 30, 2022 amounted to €3 million, due mainly to the following:

- acquisition expenses for acquired and unacquired targets for €2.1 million;
- costs amortized using the effective interest rate method and expenses in accordance with the IFRIC 12 interpretation, for €0.3 million;
- the discounting of liabilities, for €0.3 million.

b. Acquisitions of subsidiaries net of cash and cash equivalents

The impact of €35.7 million recorded at June 30, 2022 mainly corresponds to:

- Acquisition of the Sarp-Osis IDF sanitation business -€29.3 million (see Note 3.2.2.1 b);
- Acquisition of All'Chem -€4.6 million, including a net cash position of +€1.5 million (see Note 3.2.2.1 c);
- And fees relative to acquisitions, for -€1.8 million.

The impact of -€29.3 million for the year ended 31 December 2021 related to the acquisition of South African company Spill Tech Group Holdings (Pty) for -€23.6 million, and the payment of the last earnout of the Italian group Mecomer for -€5.5 million.

c. Cash and cash equivalents without gain of control

The impact of €3.1 million recorded at June 30, 2022 mainly corresponds to the payment of:

- the acquisition of an additional 9% of the shares of the Spanish company Solarca SL, for €2.8 million (see Note 3.2.2.1 a);
- and €0.3 million in target project acquisition costs.

For the year ended 31 December 2021, the impact of -€2.1 million was related to the acquisition of an additional:

- 5% of the shares of Spanish company Solarca SL for -€1.4 million;
- 7% of the shares of the South African company EnviroSure Underwriting Managers Pty Ltd, for -€0.6 million.

3.2.4.19 Disputes and contingent liabilities

The Group's companies are occasionally parties to disputes in connection with their activities. The related risks were assessed by Séché Environnement and the subsidiaries concerned based on their knowledge of the issues and were subject, if warranted, to appropriate provisions. The Group believes that the provisions recognized on the balance sheet for these known or ongoing disputes on the closing date are of an amount that would not impact the consolidated financial position in a material manner in the event of an unfavorable outcome.

- *Ongoing tax audits for which a proposed adjustment has been received:*
 - Séché Environnement (France) for the years 2018 to 2020, relating to all tax returns. This accounting audit initiated on June 23, 2021 did not give rise to any adjustment.
- *Ongoing tax audits for which no proposed adjustment has been received:*
 - Trédi (France) relating to all tax returns for the years 2019-2020: this audit of accounting records initiated on September 27, 2021 is still ongoing;
 - Senerval (France) for the years 2018 to 2020, relating to all tax returns. This audit began on July 6, 2021 and is still ongoing;
 - Séché Eco-industries for 2021, relating to settlement terms. This audit is still in progress;
 - All'Chem for the years 2019 to 2022, relating to the corporate property tax, and for 2021 to 2022, relating to the property tax. This audit is still ongoing.

There are no other government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, that are likely to have or, during the last six months, have had significant impacts on the financial situation or the profitability of the Company and/or the Group.

3.2.4.20 Related-party agreements

The related parties with which the Group maintains relations are the Group's non-consolidated subsidiaries, associates and Séché Group.

The Group has no significant relationship with these related parties.

As this is an interim closure, information on corporate officers and related companies is not presented in this note.

3.2.4.21 Key events since the closing of accounts

a. Acquisition of the French company Assainissement 34

On July 6, 2022, Séché Eco Services acquired all the shares in Sanitation 34 for a provisional price of €5 million.

b. Other post-balance sheet events

At the time of preparing the condensed financial statements, the Group was not aware of any other significant event occurring after the closing date likely to have a significant impact on its assets, financial position or operating income.



04. Statutory Auditors' report on the interim financial information for 2022



4.1

Period from January 1, 2022 to June 30, 2022

82



Séché Environnement SA

RCS Laval - 306 917 535

To the Shareholders,

In accordance with the terms of our appointment at the Annual General Meeting and pursuant to article L.451-1-2 III of the French Monetary and Financial Code, we have performed:

- a limited review of the condensed interim consolidated financial statements of Séché Environnement SA pertaining to the period from January 1 to June 30, 2022, such as they are appended to this report;
- the verification of information contained in the interim activity report

These condensed interim consolidated financial statements were prepared under the responsibility of your Board of Directors. It is our responsibility to express our opinion on these financial statements based on our limited review.

I - Opinion on the financial statements

We performed our limited review in accordance with professional standards applicable in France.

A limited review essentially consists in meeting with the members of the company's executive management who are responsible for accounting and financial matters and applying analytical procedures. A limited review is substantially less extensive than a full audit carried out in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements as a whole are free of material misstatement obtained via a limited review is a moderate one and not as strong as that obtained through an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements were not prepared, in all material respects, in accordance with IAS 34, the standard of IFRS as adopted by the European Union applicable to interim financial information.

II – Specific verifications

We have also verified the information presented in the interim activity report in respect of the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to the fair presentation and the consistency of this information with the condensed interim consolidated financial statements.

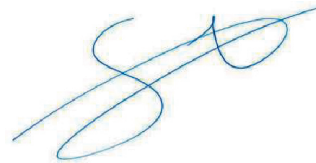
Statutory auditor

Nantes, September 9, 2022
KPMG S.A.



Gwenaël Chedaleux
Partner

Rennes, September 9, 2022
Mazars



Ludovic Sevestre
Partner



05. Certification by the person responsible for the interim financial report

5.1 Statement by the person responsible
for the interim financial report

86



STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM
FINANCIAL REPORT

“I hereby certify that, to the best of my knowledge, the consolidated financial statements for the past six months were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position, and results of the Company and all of the companies included in the consolidation scope, and that the attached interim activity report provides a true and fair view of the significant events occurring during the first six months of the financial year, their impact on the accounts, the main transactions with related parties, and a description of the main risks and uncertainties for the remaining six months of the financial year.”

Chief Executive Officer

Maxime Séché

Changé, September 9, 2022



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