



2022 HALF-YEARLY FINANCIAL REPORT

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BUSINESS REVIEW
HALF-YEAR 2022

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ENVIRONMENT AND MARKET TRENDS IN THE FIRST HALF OF 2022

Persistent inflation back in an unsettled geo-economic landscape

Whereas Europe's economies had proven resilient in 2021 and food consumption returned to some form of normality, H1 2022 was marred by widespread inflation which intensified throughout the period, dampening growth for Europe's economies. On the positive side, the successful vaccination campaigns mitigated the impact of outbreaks on the economy, particularly during Q1 following the appearance of the Omicron variant.

Russia's invasion of Ukraine at the end of February heightened the already visible inflationary pressures. Given the predominant share of these two countries in international trade of agricultural raw materials and energy, their prices skyrocketed. Uncertainty over the duration and outcome of the conflict is fuelling volatile prices on these markets and has dented the confidence of economic players.

H1 macroeconomic indicators

	GDP (Variance versus previous quarter)		Food consumption in value	Food inflation
	2022 T1	2022 T2	H1 2022 vs H1 2021	
Eurozone	+ 0.5%	+ 0.6%	-2.8%	+7.0%
France	- 0.2%	+ 0.5%	+2.2%	+ 3.8%
Italy	+ 0.1 %	+ 1.0 %	- 2.7%	+ 6.5%
Spain	+ 0.2 %	+ 1.1 %	-0.9%	+ 8.7 %
Portugal	+ 2.5 %	- 0.2%	-1.4%	+ 8.9 %
Belgium	+ 0.5 %	+ 0.2 %	-7.3%	+ 5.5 %
The Netherlands	+ 0.5 %	+ 2.6 %	-5.3%	+ 7.4 %
Switzerland	+ 0.5 %	n.a.	-5.6%	-0.1%
United Kingdom	+ 0.8 %	+ 0.1 %	-0.4%	+ 6.8 %

Sources: Eurostat, except United Kingdom, ONS (Office for National Statistics)

Agrifood and road transport, two highly-exposed sectors

The road transport and agri-food sectors have to grapple with soaring operating and production costs.

Supply challenges are compelling some food processing operators to source for alternative ingredients for their products, while soaring electricity prices are pushing down production volumes.

France, the annual negotiations between manufacturers and distributors were shaped by the entry into force of the EGalim 2¹ law, which protects the price of inputs of agricultural origin in products and regulates logistical penalties.

Meanwhile, Europe's road transport industry is confronted with severe shortage of drivers and the requirements of the European Mobility Package², all against an inflationary backdrop that has sent wage costs soaring. This is in addition to the rising cost of fuel, pallets and packaging required for operations.

Already noticeable in 2021, the rising costs are being passed on to transport prices and, gradually, to end consumer prices.

Uneven food inflation

The food inflation disparity between European countries stems from the heterogeneous nature of mechanisms used for passing on price increases across value chains. Furthermore, government measures taken in each European country to counter inflation have been applied in different ways, while energy dependency varies from one country to another.

Changing food buying behaviour

Faced with rising inflation, households have adjusted their buying behaviour to mitigate the impact of the food item in their budget.

The mass retail sector has thus experience declining sales in volume as well as in value and has witnessed renewed interest from consumers in first price products. Organic food stays on a decline that began in 2021. E-commerce in the food sector is showing signs of flagging for the first time in two years - this model was very popular during the lockdown periods imposed by the health crisis - and more particularly drive-through sales, which contracted during the early months of the year.

In contrast, the easing of health restrictions has benefited the restaurant sector, which has returned to its pre-crisis level, starting in Q1. However, labour shortage could fast-track the transformation of the sector, which continues to diversify in its search for new business models.

Supporting clients in an increasingly unsettled environment

In this environment, STEF Group is adjusting to its customers' changing needs. It strives to provide them with a consistent quality of service to support them as best as possible, despite the economic situation and growing tensions in its markets.

In addition to these issues, the Group is also facing the challenge of the energy transition, which is an ideal opportunity for the Group in the fight against global warming - STEF

¹ "Egalim" law of 30 October 2018 for balanced trade relations in the agricultural and food sector and healthy, sustainable food accessible to all – The Egalim 2 law introduces new regulatory and transparency measures to improve the remuneration of French farmers.

² The Mobility Package is a new European Commission regulation governing road transport which is aiming for upward harmonisation of labour rights of the sector's employees in order to create the conditions for fairer competition in the European market. It seeks to improve the working conditions of road transport drivers and to ensure fair competition in the European single market.

celebrates the first anniversary of its Moving Green programme in 2022 - and skills developments, employee retention and attractiveness of its core functions.

The Group continues to invest in preparation for the future and places innovation at the heart of its ambitions.

KEY EVENTS DURING THE PERIOD AT STEF

Group highlights for H1 2022:

- Growth momentum for almost all Business Units in France and internationally fuelled by sustained food consumption, the positive impact of external growth and the numerous commissioning of new real estate capacities;
- A new half-year rich in external growth operations, including:
 - o In Spain, acquisition of Enaboy business in Castilla y León and, in July, acquisition of TTC in Galicia, one of the largest frozen food outlets in Spain;
 - o In Switzerland, acquisition of a warehousing and logistics company, Frigosuisse, which operates a warehouse in Möhlin, between Zurich and Basel;
- A performance that includes, for the very first time, results of Langdons in the United Kingdom, a business acquired on 31 December 2021;
- For La Méridionale, a crucial period during which efforts were concentrated on the ramp-up of the Marseille-Tangiers line and its positioning in the call for tenders for a new seven-year public service contract in Corsica commencing in 2023;
- Combined with a deteriorated economic environment marked by soaring inflation, the fallouts of the Ukraine conflict and higher energy prices;
- And lastly, the clear slowdown in food consumption and volumes from June onwards, particularly due to a generalized inflationary surge.

STEF GROUP'S OPERATIONS IN THE FIRST HALF OF 2022

The Group's turnover amounted to €2,013.6m, up 23% (including 15.6% on a like-for-like basis) versus H1 2021.

This sharp increase mirrors the sustained and steady growth of all businesses related to dynamic food consumption during the first months of the year and the positive effects of recent external growth transactions, particularly Langdons, which contributed €102m to international revenue growth (bearing in mind that H1 2021 was negatively impacted by health restrictions due to the pandemic).

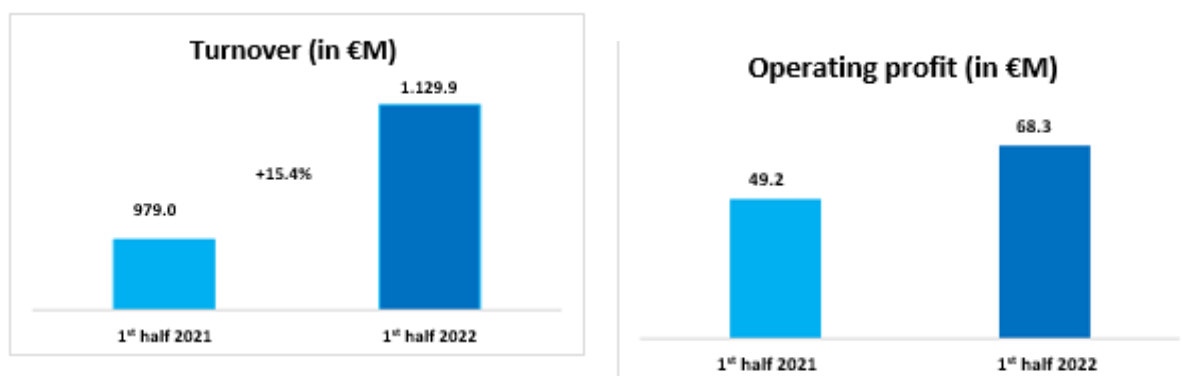
Growth was also driven by:

- Steady recovery of the out-of-home catering business, which is back to its pre-health crisis level;
- The impact of applying the fuel surcharge;
- Deployment of new real estate capacities, particularly internationally.

The Group's operating profit was €90.2 million, up 33.4% versus 2021. It improved for all businesses, except La Méridionale.

The shrinking volumes noted at the end of the period suggests that growth will be more moderate during H2.

STEF FRANCE



STEF France's turnover for H1 2022 increased by 15.4% (including 13.4% on a like-for-like basis) versus H1 2021. It amounted to €1,129.9m.

In contrast to the trends observed in 2021, the out-of-home catering business proved to be particularly dynamic, with sales up by 23.7%, while the retail business was impacted by declining volumes, particularly in e-commerce (-4.4% for the BU).

The disparity between the Business Units was clear not only in terms of growth, but also in terms of economic performance, with the least-performing segments being those most affected by the unpredicted spike in electricity costs (Frozen Products/Retail) and/or by the soaring labour costs (Retail/Packaging).

This half-year will be shaped historically by surging energy costs (oil, electricity) and by a generalized inflationary push.

Operating profit shot up by 39% to €68.3m.

The establishment of 9th "International Flows" BU was initiated during H1 2022. This will be launched during H2. Its purpose is to bring together all international activities between France and European countries within the same scope, including customs activities. These activities were previously accommodated within the Fresh Flows BU, and will also include the business of the Rungis-based company Logistique Internationale Alimentaire (LIA), acquired in 2021.

CHILLED CONSIGNMENTS

Turnover from the Fresh Flows business grew by +15.9% versus H1 2021. Business

momentum was concentrated in Q1, which compared to 2021, was not impacted by the health crisis restrictions.

A slowdown in growth was felt from May onwards, translating into a declining consumption of fresh produce pushed down by inflation. This suggests a slight increase in activity during H2.

In terms of human resources, the BU has launched a programme to enhance the attractiveness of its business lines and enhance their value.

CHILLED SUPPLY CHAIN

After a year of substantial development in 2021, the Chilled Supply Chain business continued to grow (+11.1%), fuelled by the commencement of new contracts.

The business momentum led to saturation of all the Business Unit's operational sites. In order to sustain growth over the next five years, expansion work has been launched at the Darvault site and several other projects are under consideration, including mechanised solutions.

FROZEN

The frozen food business grew by +4.1% p versus H1 2021. The product flow business and the fill rate of its warehouses contracted slightly. The frozen food segment was affected by several factors:

- A steep drop in livestock production (poultry, pork, dairy products, beef), impacted adversely by various crises experienced by the sectors, particularly avian flu;
- The inflation level, which affected consumption of finished frozen products.

This phenomenon, which is common to the entire industry, also generated heavy pressure from competitors.

Frozen food is the business unit that accounted for the largest share of STEF France's electricity consumption and increased energy costs was only partially passed on to the sector's customers.

TDF (Temperate and Dry Food)

The TDF business grew to 20.6% as at H1 2022, driven particularly by fast-growing customers.

The Vaulx Milieu site posted a robust performance, thanks to excellent management of its logistics and transport production. The Orléans Nord site, for its part, has taken up the challenge of integrating new customers into a warehouse of almost 45,000 m².

The BU is continuing to invest with a new extension at Aurice (40) which will accommodate a packaging workshop of roughly 2,500 m².

OUT-OF-HOME FOODSERVICES

With 23.7% growth, the BU posted the strongest growth within STEF France.

H1 2022 marked a return to near-normal activity for the BU's customers, despite high pressure on human and supply chain resources, which resulted in an average increase of nearly 10% in the value of their purchases.

The Out-of-Home Foodservices BU demonstrated solid momentum with an activity level comparative to that of 2019. The sector's main customers enjoyed vibrant activity and four new projects were launched during the period, thereby allowing the optimisation and ultimate

consolidation of its specialised system.

The plan to adapt operating conditions in 2020 and 2021 has helped to restore financial equilibrium. Combined with the initiation of new projects, this activity enabled the BU to post a profit for the half-year. The BU now has all the assets it needs to expand its scope of action.

Retail

The activity of the Retail BU declined compared with H1 2021 (-4.4%).

Following two years of growth driven by restaurant closures, the retail sector is experiencing a rebalancing of food consumption.

The sector was confronted with both a slowdown in food e-commerce and an unfavourable volume effect compared to 2021, which had been boosted by a shift in consumption to this segment due to the fact that restaurants had been closed.

B-to-B activity was impacted by the loss of two customer projects, following their decision to reinternalise these activities.

In the food e-commerce business, the contribution of volumes from the Aix en Provence site and the Lieusaint site in the Paris region, both of which opened during H2 2021, did not manage to offset the decline in activity.

Nevertheless, the outlook remains promising with the start-up of an e-commerce site in Rungis for a distributor and new projects for industrial customers looking for pooled solutions, “market place”, on the Lieusaint site, scheduled for H2 2022.

SEAFOOD

The SEAFOOD BU's sales grew by 15.2% during H1 2022, with heterogeneous growth depending on the type of customer.

Business with wholesalers, the main distribution channel for these products, has been buoyant owing to the reopening of catering outlets.

In contrast, in the mass retailing business, the dwindling volumes in traditional fish departments, coupled with high inflation on certain products (salmon, shrimp), dampened business momentum.

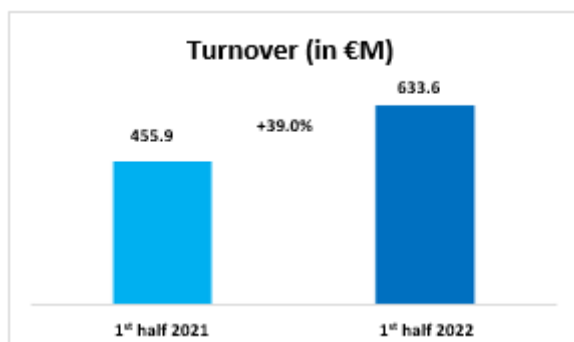
The BU has revived its development with the launching of a site at Atton (54) and is looking for new growth drivers with added value. Expansion work is underway at the Boulogne-sur-Mer and Toussieu sites for delivery during Q3 2022.

PACKAGING

The Packaging BU's turnover was down -4.3% versus H1 2021, mainly due to the discontinuation of a major project for a cosmetics customer. Margins were impacted by lower volumes and higher production costs, specifically personnel costs, packaging and electricity.

The development and structuring of the Packaging activity within the Group, all business units combined, continued at a steady pace, with several major tenders won, continued recruitment within the DYAD Solutions internal design office and the gradual implementation of a common IT solution (SAP) on the Group's various sites.

STEF INTERNATIONAL



International Businesses recorded the Group's strongest growth rate, with turnover up 39.0% (+16.7% on a like-for-like basis) to €633.6m. The scope effect was mainly due to the acquisition of Langdons in the United Kingdom.

The investment and development momentum was omnipresent in all countries where the Group operates, whether through external growth operations or property projects.

ITALY

Turnover growth (+8.6%) remained steady for STEF's activities in Italy.

Synergies with businesses acquired in 2021 helped to ramp up the business momentum. This was particularly true for the distribution of frozen products, following the acquisition in 2021 of a 49% stake in SVAT, a company located in Nogarole Rocca, near Verona, specialised in transport and logistics for this type of product.

Integration efforts and synergy building continued during H2, particularly with regard to the businesses acquired in the Verona area.

The shortage of subcontracting resources remains acute.

The operating margin suffered from the increase in management costs impacted by an inflation rate of over 8% and higher energy costs. Cost control and commercial efforts to pass them on were a challenge during H2.

SPAIN

STEF's activities in Spain were robust with growth of 25.4%, stemming from a vigorous sales momentum in all markets, as well as the fruits of external growth with the integration of Enaboy Castilla flows as from January.

The Group completed its domestic transport network in the north-west of the country with the acquisition, at the beginning of July, of the TTC group and three platforms, located in A Coruña, Vigo and León. This operation enables it to solidify its foothold as leader in the transport and logistics of fresh and frozen food products in the region. The integration of these activities is an important step in STEF's bulking network in Spain.

A new platform dedicated to an e-commerce player was commissioned in the Madrid region.

PORTUGAL

Stef Portugal demonstrated solid sales momentum with growth of 17.2%.

The Porto site launched a logistics solution for fresh products for its industrial food customers in order to support their CSR approach.

The efforts in developing the managerial model with training programmes and the team loyalty-building policy, as well as the new transport system in Alenquer, near Lisbon, enabled STEF to deliver a level of service quality appreciated and acknowledged by its customers.

Stef Portugal continues on its specialisation and development trajectory with the acquisition of a new site north of Porto.

BELGIUM

The early months of the year were marked by a decline in volumes due to economic slowdown and persistent effects of the health crisis. The trend was reversed towards the end of the half-year, suggesting a brighter outlook for H2. Turnover was up by +15.4%.

The national bulk transport network was established. It revolves around the sites of Saintes and Nazareth (Ghent), and now offers the Group's customers optimal coverage of the country.

STEF Belgium enhanced its capacity by building the fresh logistics site in Tubize, near Brussels. A negative cold cell will complete this facility, following the signing of a major frozen food contract.

STEF Belgium is committed to the Group's Moving Green approach and will add an extra 2,500 kW of photovoltaic panels at the Saintes and Tubize sites.

THE NETHERLANDS

Building on the synergies created by the integration of businesses acquired in 2021, national and international flows developed markedly during H1 2022. In addition to this dynamic, the reorganisation of the Eindhoven site and vigorous sales development boosted performance at STEF Netherlands. Turnover was up by +57.7%.

SWITZERLAND

STEF Switzerland continued to develop its business with the launching of a major frozen logistics project at the Kölliken site at the end of 2021.

STEF Switzerland's traditional activities have returned to their pre-crisis level. Fill rates remain high and transport continued to grow, particularly in international flows. Accordingly, turnover was up by 25.4%.

The acquisition, at the end of June, of Frigosuisse, located in Möhlin near Basel, enabled STEF Switzerland to pursue its development agenda and serve its customers with new synergies. The integration of these new activities was one of the main challenges for H2.

UNITED KINGDOM

Acquired at the end of 2021, Langdons has just completed its first half-year following integration within the STEF Group.

Langdons specialises in temperature-controlled transport and import/export of fresh and frozen food products.

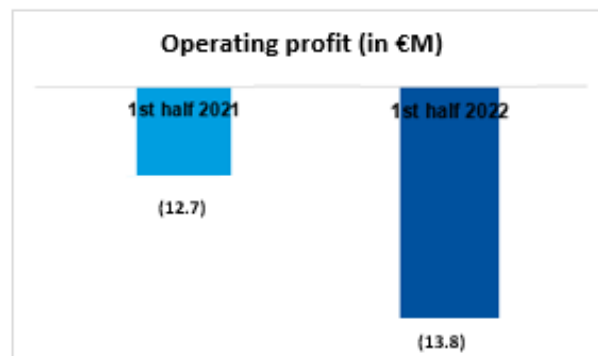
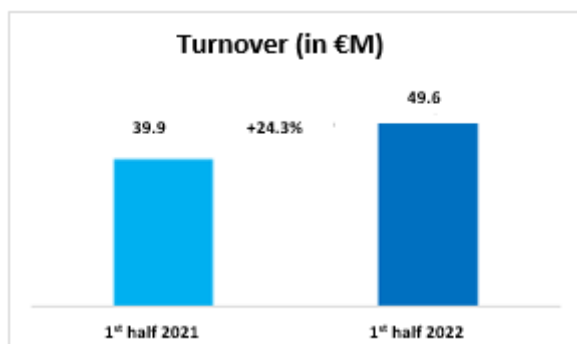
The objective for 2022 will be to implement the Group's tools for successful integration, particularly with the launching of the new brand "Langdons, a STEF company" scheduled for H2 2022.

The company's performance during H1 2022 is in line with forecasts.

EUROPEAN CONSIGNMENTS

European flows business enjoyed robust growth during the period (+11.7%). The shortage of transport subcontracting resources observed at the beginning of the year, exacerbated by geopolitical events, was the main obstacle to overcome in order to secure the resources needed to meet the growing demands of our customers.

MARITIME



La Mériidionale provides a public maritime transport service for passengers and freight, based on operation of mixed cargo ships from Marseille.

It has four ro-ro mixed passenger and cargo vessels. Two of them are assigned to Corsica, with La Mériidionale serving the ports of Ajaccio and Propriano under a public service delegation arrangement expiring on 31 December 2022. La Mériidionale also operates a maritime freight and passenger service between Marseille and Tangier Med in Morocco, launched in December 2020.

Turnover for H1 amounted to €49.6m, up by 24.3% versus H1 2021. This increase was driven by solid performance of the Corsica business, although it also includes a favourable comparison base for the Tangier line, which was heavily impacted by health restrictions throughout H1 2021.

However, profitability remains highly impacted with a larger than expected loss due to lower than expected freight and passenger activity in Tangier. The persistent restrictions on passenger traffic during Q1 2022 cut deeply into the half-year profitability.

Overall, while La Mériidionale achieved the expected performance for its crossings to Corsica, the situation was significantly different for the Marseille-Tangiers line, which has been difficult to ramp up since it was launched.

Outlook:

- Corsica service: The next public service delegation arrangement, scheduled to come into force on 1 January 2023, poses a serious challenge for La Mériidionale.
- Marseille-Tanger line: The reopening of borders between Morocco and France since April and the level of traffic during the summer period will be key determinants in assessing the sustainability of this business model.

OUTLOOK FOR 2022

H1 activity was boosted by healthy dynamics. With the exception of Maritime activity, the Group's displays a fairly clean bill of health with turnover and operating profit up by 23% and 33.4% respectively.

During H2, however, the Group expects a slowdown in its growth, due to an economic and geopolitical environment characterised by high unpredictability. For H2, the Group will adopt a cautious approach in view of the slackening signals in its fresh produce and retail activities, which seem to confirm a downturn in food consumption, combined with inflationary effects on energy costs, particularly electricity.

For the coming period, the Group will focus on:

- Consolidating and integrating recently acquired companies, especially Langdons, which is the largest acquisition since the Group's inception, and ramping up the new real estate capacities commissioned in recent months;
- Maintaining tight management and a local commercial presence in an inflationary environment to meet the needs of its customers, but also to absorb higher operating costs in the face of rising prices and shortages.

CENTRES OF EXPERTISE

REAL ESTATE

IMMOSTEF, the STEF Group's real estate subsidiary, manages and develops the Group's real estate assets, handles property rental management, real estate transactions and all operations related to these activities.

During H1 2022, the Group's real estate activity was extremely robust in terms of studies, construction and site extensions in all countries where it operates.

The main highlight of the period was the slowdown in launching new projects during Q2 due to the sharp rise in prices induced by the Ukraine conflict and the renewed health crisis in China. However, work in progress continued, despite tighter conditions due to the unavailability of certain raw materials.

Main building projects started and/ or delivered in 2022

Building projects delivered in the first half of 2022:

- **Italy:**
 - New Transport site in Longiano (near Cesena, on the Adriatic coast);
- **France:**
 - New 5,000 m² e-commerce site in Lieusaint, near Paris;
 - New Frozen food site in Yffiniac (Saint Briec) with 40,000 m³ of storage
 - Expansion of the Chateaubourg (Rennes East) and Ifs (Caen) frozen food sites, with a total of 75,000 m³ of negative storage;
 - Expansion of the TSA sites in St Sever (Landes) by 2,700 m².
- **Spain:**
 - Delivery of phase 1 of the Madrid- Alcala (90,000 m³ of frozen food) and Malaga-Cartama (40,000 m³ and 1,200 m² of transport platform).

Main building projects started in the first half of 2022:

- **France:**
 - Extensions of 3,500 m² at SeaFood sites in Boulogne S/Mer and Toussieu (East Lyon);
 - Remodelling of Sogaris Rungis site to accommodate an e-commerce project;
 - New fruit and vegetable site for Primever in Donzenac (Brive).
- **International**, launching of the following projects:
 - Belgium: New 15,000 m² Fresh Supply Chain site in Tubize (Brussels West);
 - Spain: Extension of 10,000 m³ for Fresh foods in Torrejon (Madrid).
- **Projects in tender phase**, for a total surface area of more than 25,000 m²:
 - France: Extension of Darvault (Seine et Marne) sites, new Frozen food site in Cavaillon and extension of Transport sites in Carvin (Lille), Agen, Laval, Vannes and Angers; extension of Normandie Export Logistics site in Honfleur.

Acquisitions and sale of land and real estate assets

Five transport platforms representing a total surface area of more than 12,000 m² were added to the Group's facilities in Trento (Italy) and Irun (Spain), as well as during the acquisition of TTC's business in north-western Spain on 1 July 2022 (A Coruña, Vigo and Leon).

IMMOSTEF equally acquired the Frigosuisse site at Möhlin – Basel, representing more than 220,000 m³ for Frozen food.

Lastly, IMMOSTEF provided its expertise for the acquisition of Langdons in the United Kingdom at the end of 2021, for the audit of its five sites, representing more than 30,000 m² in buildings and 15 ha of land.

Four disposals took place during the half-year, namely: Kriens (German Switzerland), Thenon (24), Morlaix (29) and Chantepie (35).

As at 30 June 2022, the Group's real estate portfolio comprised nearly 260 sites (platforms and warehouses).

Additionally, in order to support the Group's development as closely as possible, STEF has long developed a structured approach to building up strategic land reserves. Land acquisitions are ongoing in Porto (Portugal), Vigo (Spain), and in France specifically in Metz, Nancy, Montpellier, Cavaillon, Vitry and Nemours.

BLUE ENERFREEZE

During H1 2022, the electricity price crisis intensified and the impact of rising costs remained high for the Group, despite the structured internal policy of managing energy purchases and the "energy shield" measures taken by various national governments.

In order to reduce its energy dependence, the Group has intensified the installation of photovoltaic power generation plants.

Accordingly, 26 MWp of additional capacity will be installed by the end of 2022. With 40 MWp in operation at the end of the year, the Group's target of 80 MWp by the end of 2025 is well on the way to being achieved.

The share of photovoltaic electricity generated and consumed by the Group is growing, particularly in Italy, Belgium, Portugal and Spain. Thus, from 2023, 10% of the Group's consumption will be met with self-consumed, low-carbon energy.

Internationally, Blue EnerFreeze's subsidiaries in Spain, Portugal and Belgium are made up of experts specialised in energy production and purchasing activities. They are also responsible for deployment of the Energy Lab in Madrid to explore industrial solutions for energy storage and hydrogen production.

In France, Blue EnerFreeze continues to market services dedicated to energy security and optimisation.

INFORMATION SYSTEMS

STEF Information et Technologies (STEF IT) designs software solutions, integrates and maintains the information systems the Group needs to support its customers, enhance the services offered to them and improve the productivity of business lines and support functions. It supports the Group in its digital transformation through innovative projects.

Performance support for core and support functions

In the Transport area, a dynamic distribution trucking tool, a solution for digitalisation of incoming and outgoing transport documents and the customer portal are being rolled out Group-wide. The traceability management tool has been replaced by a new device operating in real time via APIs. The tachograph management software has been upgraded to a fully web-based version.

On the logistics front, new functionalities and tools for picking, management of forklift operator missions, picking replenishment, parcel sizing and e-commerce are being developed. Specific deployments can be carried out for various activities: SAP ERP for the subsidiary Dyad, support for the Kolliken site in Switzerland for a customer project.

STEF IT supports the Group's core functions in order to enhance their efficiency. One of the priorities is to integrate recently-acquired companies into the Group's systems. Several projects were successfully completed:

- Adaptation of HR tools for professional interviews;
- Reorganisation of customer service in Italy around the Salesforce software application.
- New version of maintenance software for support functions (Immostef, Car Pool Management, Business Lines Management).
- New Group IT supply chain/procurement solution in progress.

STEF IT is responsible for the Group's digital transformation, with digitalisation and automation of information being key determinants for greater anticipation and organisation of workflows. In this area, various projects have been implemented: indoor geolocation, vocal assistants (chatbots).

Several mobility projects from the "Digital Champions" community initiatives are in pilot phase. Five projects under the Big Data/Machine Learning and dealing with energy, productivity and occupational safety are ongoing.

STEF IT is helping to develop monitoring tools within the Group: securing cold room temperature alarm servers, real-time carbon footprint indicators for transport activity provided to the Sustainable Development Department as part of the Moving Green approach.

Lastly, STEF IT is the Group's reference in terms of IT security, with upgrading of facility infrastructure, testing of business recovery plans, management of remedial plans following audits and development of solutions to detect cyberthreats.

HUMAN RESOURCES

At 30 June 2022, the Group's workforce (permanent and fixed-term employment contracts) rose radically (+2,292) versus 30 June 2021:

WORKFORCE BY DIVISION

Permanent and fixed term employment contracts	30/06/2021	30/06/2022
STEF France	13,524	13,894
STEF International	4,057	5,946
Maritime	626	626
Other activities and central functions	688	721
GROUP TOTAL	18,895	21,187

WORKFORCE BY COUNTRY

	30/06/2021	30/06/2022
France	14,909	15,316
Outside France:	3,986	5,871
Spain	1779	2,069
Portugal	414	460
Italy	926	973
Belgium	416	428
The Netherlands	310	341
Switzerland	141	170
United Kingdom		1,430
GROUP TOTAL	18,895	21,187

The Group's increased headcount was largely due to external growth activities, principally Langdons in the United Kingdom (1,430 employees).

The other contributing factor in the headcount increase was the aggressive recruitment policy pursued across all organisations in the Group. The various HR Departments focused heavily on this objective and supported this recruitment policy with new integration and training processes designed for new employees.

Other highlights for H1 2022 include:

- Just like in the previous year, the tension on the labour market, which calls for even more targeted recruitment and integration policies;
- Renewed inflation with implications on salary costs.

CONSOLIDATED FINANCIAL STATEMENTS

Change in scope

- Integration of activities of Langdons (United Kingdom), LIA and NAF (France) from 31 December 2021;
- Change of scope of consolidation during H1 2022: acquisition of 100% stake in Frigosuisse, holder of a real estate site at Möhlin (Switzerland).

Overview of turnover

H1 2022 turnover grew markedly driven largely by vibrant food consumption during the period and integration of recently-acquired companies.

Cumulative half-year	2021	2022	Change %	At constant scope %
STEF France	979.0	1,129.9	15.4%	13.4%
STEF International	455.9	633.6	39.0%	16.7%
Maritime	39.9	49.6	24.3%	24.3%
Others	161.9	200.5	23.9%	23.9%
Total	1,636.8	2,013.6	23.0%	15.6%

Consolidated income statement

The Group's operating result improved during the half-year boosted primarily by increased activity compared with H1 2021. The current operating margin to turnover remained stable at 4.2%.

Operating income improved considerable across all activities, excluding Maritime activity, impacted especially by fuel costs on the Tanger line. Operating income also included capital gains from asset disposals, particularly real estate, amounting to roughly €10m.

Financial results continued to be driven by the negative interest rate environment until the end of May 2022, as well as from refinancing at attractive rates.

The Group's effective tax rate (excluding maritime activity, which has no effect on the tax charge due to its specific taxation - tonnage tax) in 2022 is down by 2.1 points versus 31 December 2021 and stands at 25.82%. This fall is mainly related to the reduction in corporate tax in France over the period (from 28.41% to 25.83%).

The net profit attributable to Group shareholders stood at €66.0 million (up by +€20.7m versus H1 2021).

Operating profit (in €M)	1st half 2021	1st half 2022	Change
Turnover	1,636.8	2,013.6	23.0%
EBIT	67.6	90.2	33.4%
Financial income	(3.5)	(2.9)	
Profit before tax	64.1	87.3	36.1%
Tax expense	(21.9)	(26.6)	
Share in net profit of associated companies	2.8	5.1	
Net profit	45.1	65.8	45.9%
- of which profit attributable to Group shareholders	45.3	66.0	
- of which profit attributable to minorities	(0.2)	(0.2)	

Financial structure

Consolidated shareholders' equity amounted to €959.5m versus €912.7m at 31 December 2021. This change includes the dividend distribution of €37.3m voted at STEF's General Meeting on 28 April 2022.

Financial flows

Cash flow from operating activities increased, mainly due to higher earnings during the period. The level of investment was higher during H1 2022 than in H1 2021 despite a significant portion of the acquisition price of Frigosuisse having been disbursed on 4 July 2022.

Transactions between related parties

The nature, terms and amounts of the transactions with related parties did not change significantly over the first half of 2022.

Significant changes compared with the last annual report

There is no change or uncertainty relating to the principal risk factors set out in the 2021 annual report which could have a significant impact on the business and the results of the second half of 2022.

Important events occurring between the balance sheet date and the date of this report

In July 2022, STEF Group acquired 100% of the TTC Group (turnover of €7.5 million in 2021), a temperature-controlled transport company operating mainly in



INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE HALF-
YEAR ENDED 30 JUNE 2022



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CONSOLIDATED INCOME STATEMENT*(in thousands of euros)*

	note	1st half 2022	1st half 2021
TURNOVER	8	2,013,622	1,636,830
Purchases from third parties	9	(1,260,900)	(976,389)
Taxes and related expenses		(31,220)	(26,826)
Payroll expenses	10	(541,883)	(472,473)
Depreciation and amortisation	11	(95,760)	(89,316)
(Net charges to) net reversals of provisions		694	(3,230)
Other operating income and expenses	12	5,632	(974)
OPERATING PROFIT		90,185	67,621
Financial expenses		(3,626)	(3,850)
Financial income		695	365
Financial results	14	(2,931)	(3,485)
PROFIT BEFORE TAX		87,253	64,136
Tax expense		(26,551)	(21,881)
Share in net profit of equity-accounted companies	21	5,100	2,836
PROFIT FOR THE PERIOD		65,803	45,090
* of which attributable to Group shareholders		65,968	45,258
* of which attributable to minorities		(165)	(168)
Earnings per share:		(in euros)	(in euros)
- basic earnings per share:		5,32	3,66
- diluted:		5,22	3,61

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT*(in thousands of euros)*

	1st half 2022	1st half 2021
PROFIT FOR THE PERIOD	65,803	45,090
Actuarial gains and losses on pension plans	11,470	3,148
Revaluation of financial assets	(196)	
Tax expense on non-recyclable items	(2,461)	(873)
Other items of comprehensive income, net of income tax which will not subsequently be reclassified into income	8,813	2,275
Unrealised foreign exchange gains or losses from activities	554	(295)
Effective portion of change in fair value of cash flow hedging derivatives	7,076	3,346
Tax expense on recyclable items	(1,140)	(462)
Other items of comprehensive income, net of income tax which are subsequently reclassified into income	6,490	2,589
COMPREHENSIVE INCOME FOR THE PERIOD	81,105	49,954
* of which attributable to Group shareholders	81,252	50,101
* of which attributable to minorities	(147)	(147)

CONSOLIDATED BALANCE SHEET

(in thousands of euros)

ASSETS	note	30/06/2022	31 December 2021 ¹
Non-current assets			
Goodwill		268,289	269,189
Other intangible fixed assets		12,980	15,085
Tangible fixed assets		1,497,445	1,400,629
Right of use under leases		230,481	241,823
Non-current financial assets		44,971	43,638
Investments in associated companies		67,630	65,344
Deferred tax assets		10,010	10,880
Total non-current assets		2,131,804	2,046,588
Current assets			
Inventories and work in progress		105,291	86,229
Customers		670,464	612,962
Other receivables and current financial assets		162,557	138,752
Current tax assets		0	3,454
Cash and cash equivalents		144,225	92,239
Total current assets		1,082,537	933,637
Total assets		3,214,341	2,980,225
LIABILITIES	note	30/06/2022	31 December 2021 ¹
Equity			
Share capital		13,000	13,000
Share premium account		0	0
Reserves		946,219	899,242
Equity, Group share		959,219	912,242
Minority interests		308	476
Total equity		959,527	912,719
Non-current liabilities			
Non-current provisions	18	61,735	69,328
Deferred tax liabilities		26,893	30,324
Non-current financial liabilities	19	444,427	371,769
Non-current lease obligations	19	176,775	183,003
Total non-current liabilities		709,830	654,425
Current liabilities			
Trade accounts payable		586,867	557,551
Current provisions	18	12,685	16,254
Other current liabilities		417,284	351,065
Current tax liabilities		13,329	5,960
Current financial liabilities	19	462,693	426,841
Current lease obligations	19	52,125	55,412
Total current liabilities		1,544,984	1,413,082
Total liabilities		3,214,341	2,980,225

¹ Restatement of the balance sheet for the 2021 financial year in application of the IFRS 3R standard (cf. note 6)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)

	Share capital	Share premium account	Consolidated reserves	Translation reserves	Treasury shares	Fair value reserves	Equity attributable to equity shareholders of the parent company STEF	Minority interests	Total equity
Equity at 1 January 2021	13,000	0	852,089	375	(38,923)	(3,585)	822,957	863	823,819
Dividends paid			(30,957)				(30,957)		(30,957)
Acquisition and disposal of treasury shares					363		363		363
Other share transactions			932				932		932
Transactions with minority interests			(198)				(198)	(198)	(396)
Total transactions with shareholders	0	0	(30,223)	0	363	0	(29,860)	(198)	(30,058)
Comprehensive income for the period	0	0	47,512	(295)		2,884	50,101	(147)	49,954
Equity at 30 June 2021	13,000	0	869,378	80	(38,560)	(701)	843,198	518	843,715
Equity at 1 January 2022	13,000	0	934,987	1,052	(38,309)	1,511	912,534	476	912,719
Dividends paid			(37,262)				(37,262)		(37,262)
Acquisition and disposal of treasury shares					428		428		428
Other share transactions			2,589				2,589		2,589
Transactions with minority interests			(29)				(29)	(21)	(50)
Total transactions with shareholders	0	0	(34,702)	0	428	0	(34,274)	(21)	(34,295)
Comprehensive income for the period	0	0	74,766	577		5,909	81,252	(147)	81,105
Equity at 30 June 2022	13,000	0	975,051	1,629	(37,881)	7,420	959,219	308	959,527

CASH FLOW STATEMENT

(in thousands of euros)

	note	1st half 2022	1st half 2021
Profit for the period		65,803	45,090
+/- Net depreciation, amortisation, impairment of non-current assets and provisions	13	96,893	92,753
+/- Gains or losses from the sale of non-current assets		(7,066)	(515)
+/- Share in net profit (loss) of associated companies	21	(5,100)	(2,836)
+/- Change in market value of derivatives		(23)	31
+/- Other expenses and income, generating no change in cash		2,586	898
- Deferred tax		0	0
Cash flow from operations (A)		153,093	135,421
Cancellation of the tax expense (income)		26,551	21,881
Taxes paid		(21,294)	(7,305)
Changes in the other items of the WC		(46,789)	(9,212)
+/- Change in working capital (B)		(41,532)	5,364
NET CASH FROM OPERATING ACTIVITIES (C) = (A+B)		111,561	140,786
- Cash used in acquiring intangible assets		(932)	(921)
- Cash used in acquiring tangible fixed assets		(105,965)	(75,005)
+/- Change in granted loans and advances + financial assets		(1,525)	189
-/+ Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash	6	(8,943)	1,662
+ Proceeds from sale of tangible and intangible fixed assets		13,849	1,867
+ Dividends received from associated companies		3,099	1,074
NET CASH FROM INVESTMENT ACTIVITIES (D)		(100,417)	(71,134)
+/- Acquisition and disposal of treasury shares		134	163
- Dividends paid to STEF owners		(37,262)	(30,957)
- Dividends paid to minority shareholders			0
+ Proceeds from new borrowings	19	112,000	95,500
- Repayment of borrowings and lease obligations	19	(101,854)	(124,480)
NET CASH FROM FINANCING ACTIVITIES (E)		(26,982)	(59,774)
CONVERSION EFFECT (F)		2,008	0
Net cash position at beginning of period		73,803	7,387
Net cash position at end of period	19	59,973	17,264
= CHANGE IN NET CASH POSITION (C+D+E+F)		(13,830)	9,878

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1. ENTITY PRESENTING THE FINANCIAL STATEMENTS

STEF SA, is a public limited company incorporated under French law with its registered office in Paris and its shares listed on the NYSE Euronext Paris' B compartment. The half-yearly condensed consolidated financial statements for the half-year ended on 30 June 2022 include STEF S.A. and its subsidiaries, collectively referred to as "the Group" and the Group's share in associated companies. Unless otherwise specified, they are presented in euros, rounded to the nearest thousand.

These half-yearly condensed consolidated financial statements were approved by the Board of Directors of STEF S.A. on 1 September 2022.

2. ACCOUNTING STANDARDS

The half-yearly condensed consolidated financial statements for the first half-year ended on 30 June 2022 have been prepared in accordance with the IAS 34 standard "*Interim financial information*" of the International Financial Reporting Standards (IFRS) as adopted by the European Union.

These half-yearly condensed accounts do not include all the information required for the annual accounts insofar as they contain only the notes to the financial statements that are significant in understanding the development of the Group's activity or financial situation and must be read alongside the consolidated financial statements for the financial year ended on 31 December 2021.

3. ACCOUNTING PRINCIPLES AND PRESENTATION OPTIONS

The accounting methods applied by the Group for the preparation of the half-yearly financial statements comply with the IFRS standards and interpretations as adopted by the European Union at 30 June 2022. These accounting policies used are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2021.

In addition, the Group did not apply the following standards and interpretations, which were not adopted by the European Union at 30 June 2022 or the application of which was not mandatory at 1 January 2022.

- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendment to IAS 1 - Presentation of financial statements and IFRS practice statement 2: disclosure of accounting policies;
- Amendments to IAS 8 - Definition of accounting estimates;
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;
- IFRS 17 - Insurance contracts.

The application over the period of the following new standards and interpretations did not have a significant effect on the consolidated financial statements at 30 June 2022:

- Amendments to IFRS 3 - Reference to the conceptual framework;
- Amendments to IAS 16 - Proceeds before intended use;
- Amendments to IAS 37 - Onerous contracts, the costs of fulfilling a contract;
- Annual improvements to IFRS Standards 2018 - 2020.

IFRIC decision - accounting for configuration and customisation costs related to SaaS software (IAS38)

In March 2021, the ASB approved the IFRIC decision on accounting for configuration and customisation costs related to SaaS software. The application of this decision was delayed until the first half of 2022.

This new decision defines the criteria for recording the costs incurred from publishers, subcontractors and other service providers for the configuration and customisation of SaaS software as intangible assets. The Group has started to review all the relevant projects and at this stage has not identified any projects requiring recognition of an asset on the balance sheet.

4. ESTIMATES

The preparation of the half-yearly consolidated financial statements requires the Group's management to make estimates and assumptions that have an impact on the application of the accounting methods and on the values used to close the accounts for the financial year concerned. In particular, the definitive actual values may differ from the estimated values.

For the preparation of the half-yearly consolidated financial statements, the significant assumptions used to apply the Group's accounting methods and the main sources of uncertainty relating to the estimates were similar to those described in the consolidated financial statements for the financial year ending on 31 December 2021.

The specific evaluation methods applied to the interim financial reports were as follows:

- the tax expense for the half-year was evaluated by applying the profit before tax for the half-year excluding the Maritime profit, the estimated average effective tax rate for the full year;
- the expense relating to the contractual incentives (quality part) for personnel corresponds to half the estimated expense for the entire financial year;
- employee profit-sharing expenses and the expense relating to incentives (profitability part) were estimated based on the budget for the 2022 financial year. These elements are subject to a re-estimation depending on profits;
- the amounts recognised as pension benefit commitments in the consolidated balance sheet at 30 June were determined by adjusting the net book value on the opening of the accrued benefits, the interest costs and contributions to the plan depending on the amounts estimated at 31 December 2021 for 2022 along with the actuarial gains and losses of the period.

5. SEASONAL NATURE OF THE BUSINESS

Business in the second half-year is generally stronger than the first due to the concentration of the summer period and the end-of-year festive period. Consequently, the operating profit for the first half-year is traditionally lower than that for the second half-year.

Furthermore, the Group has not been directly impacted by the conflict between Ukraine and Russia, since STEF does not operate in either of these two countries. However, the Group remains highly vigilant regarding the development of the situation and its consequences on the global economy and financial markets.

6. SCOPE OF CONSOLIDATION

Acquisitions and disposals over the period

Acquisitions

Frigosuisse

On 29 June 2022, the Group finalised the acquisition of 100% of the shares in Frigosuisse along with the acquisition of the warehouse in Möhlin in Switzerland. The purchase price was 65 million CHF (€62 million). In 2021, Frigosuisse had a turnover of 13 million CHF for an EBITDA of €0.4 million.

Frigosuisse was consolidated into the Group's accounts on the acquisition date. The work to allocate the purchase price was in progress at 30 June 2022. However, no notable change is expected in the second half-year.

The impact of this acquisition is as follows:

Acquisition of Frigosuisse	
Business activity	Temperature-controlled storage and logistics
Location	Möhlin (Switzerland)
Acquisition date	29/06/2022
Percentage of acquired equity instruments conferring voting rights	100%
Cost of the combination	65,000 thousand CHF (€62,371 thousand)
Fair value of acquired assets and assumed liabilities	65,000 thousand CHF (€62,371 thousand)
Goodwill/(Badwill)	0

Sales, liquidations

There were no disposals during the first half of 2022.

Monitoring of 2021 acquisitions and disposals

Assignment of the Langdons goodwill

Over the first half of 2022, the Group continued the work to allocate the purchase price of Langdons. The purchase price of the shares in Langdons was subject to an upward price adjustment of €1,281. This price adjustment corresponds to the difference between the net cash position estimated on the acquisition and the actual net cash position at 31 December 2021. The definitive price amounts to €130,200 thousand.

At the same time, the net assets were revalued to €12,383 thousand, the main effect being the revaluation at fair value of Langdon's real estate assets. Consequently, the goodwill amounts to €55,048

thousand in the opening balance sheet at 31 December 2021 (vs. €67,431 thousand in the balance sheet published on 31 December 2021).

Assignment of the LIA goodwill

The purchase price of the shares in LIA was adjusted by €623 thousand in STEF's favour. This price adjustment corresponds to the difference between the net cash position estimated on the acquisition and the actual net cash position at 31 December 2021. Consequently, the goodwill was reduced to €11,235 thousand. There has not been any other adjustment at this stage.

Cash used in the acquisition and sale of subsidiaries

	1st half 2022	1st half 2021
Net cash paid out following the acquisition of consolidated shareholdings	(7,987)	(538)
Net cash paid out following acquisition of interests not giving control		
Net cash following the sales of subsidiaries		
Other items (additional prices/recapitalisation, etc.)	(956)	2,200
Total proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash	(8,943)	1,662

A significant part of the purchase price for Frigosuisse was disbursed on 4 July 2022.

7. FINANCIAL RISK MANAGEMENT

The Group hedges the rate risk on floating rate debt related to long-term real estate and maritime financing through interest rate swaps.

At 30 June 2022, the total notional amount of the instruments for hedging the rate risk on floating rate debt was €102 million compared with €114 million at 31 December 2021.

The share of the fixed rate debt (after taking account of the hedging instruments) compared to the total gross debt stands at 49% at 30 June 2022 compared to 56% at 31 December 2021.

The Group's exposure to customer credit risk did not record any unfavourable change in the last half-year. None of its customers is of a such a size that their bankruptcy could have a significant effect on the financial situation of the Group which, notwithstanding the protection mechanisms that it has due to the applicable regulations, continues to use credit insurance.

With regards exchange rate risk, most of the flows outside the Eurozone concern Switzerland and the United Kingdom. In these scopes, the income and associated costs are mostly domestic and accounted for in local currency which limits the impact of a change in the exchange rate on the Group's results.

Finally, in terms of liquidity risk, the Group is still relatively unexposed given the existing margins on the available credit lines due to its active policy of centralising cash flow in France and in its principal European subsidiaries.

8. SEGMENT INFORMATION

1st half 2022	France	International	Maritime	Others	Consolidated data
Turnover from activities (inter-segment sales included)	1,148,245	643,468	49,621	234,682	2,076,016
Inter-segment	(18,313)	(9,913)		(34,168)	(62,394)
Net consolidated turnover	1,129,932	633,555	49,621	200,514	2,013,622
Recurring operating profit	67,251	28,375	(13,754)	2,681	84,553
<i>Other operating income and expenses</i>	1,041	4,547	1	43	5,632
Operating profit	68,292	32,922	(13,753)	2,724	90,185

1st half 2021	France	International	Maritime	Others	Consolidated data
Turnover from activities (inter-segment sales included)	993,460	463,870	39,924	199,661	1,696,914
Inter-segment	(14,443)	(7,928)	0	(37,712)	(60,083)
Net consolidated turnover	979,017	455,941	39,924	161,949	1,636,830
Recurring operating profit	50,039	26,010	(12,667)	5,214	68,596
<i>Other operating income and expenses</i>	(889)	85	(7)	(163)	(974)
Operating profit	49,150	26,094	(12,674)	5,051	67,621

In the 1st half of 2022, the International sector benefited from the contribution of Langdon's activities acquired on 31 December 2021.

"Other" turnover includes "goods trading for third parties" for the out-of-home foodservices activity. This represents 93% (€187.1 million) of the "Other" turnover in the 1st half of 2022 (93% which is €151.4 million in the 1st half 2021). The Group believes that this activity, which does not generate a profit, was not representative of the added-value that the Group offers to its customers and it is not therefore deemed necessary to present a specific sector in this regard.

The items relating to the transport and logistics activities are classified in the corresponding sectors and consequently, the presentation of a "Out-of-home foodservices trading" sector would only comprise the "Turnover" line and a non-existent "Operating profit".

The balance includes the activity of STEF SA (the Group's holding company without an operational activity) and computer services provided for external customers.

9. PURCHASES FROM THIRD PARTIES

	1st half 2022	1st half 2021
Purchases other than energy (including foodservice goods)	(209,780)	(170,542)
Purchases of diesel and other fuels	(113,755)	(63,617)
Purchases of other energy	(42,809)	(22,489)
Transport subcontracting	(647,763)	(515,215)
Rent and lease expenses	(18,104)	(14,072)
Maintenance	(56,631)	(49,860)
External staff and intermediaries' wages and salaries	(92,917)	(77,154)
Insurance and losses	(33,229)	(25,171)
External services and miscellaneous	(45,912)	(38,270)
Total:	(1,260,900)	(976,389)

The change in this item is explained by the effect on the scope as well as by the significant increase in energy costs (electricity and fuel) for €54 million excluding the effect on the scope.

For fuel, the regulatory scheme at the bottom of the invoice in France has limited the Group's exposure. With regards electricity, due to its business, the Group benefits from fixed price electricity quotas ("ARENH") in France. However, the Group remains exposed to changes in the electricity spot prices for some of its consumption.

Finally, the out-of-home foodservice activity was not impacted, as it was in the 1st half of 2021, by the closure of restaurants leading to an increase in the purchase of out-of-home foodservices goods.

10. PAYROLL EXPENSES

	1st half 2022	1st half 2021
Salaries and other compensation	(513,743)	(445,927)
Net length-of-service awards payable to staff on retirement and long-service awards	(1,666)	(2,614)
Employee incentive bonuses and profit-sharing (inc. company)	(26,474)	(23,932)
Payroll expenses	(541,883)	(472,473)

The "Salaries and other compensation" item includes the expense relating to the allocation plans for performance shares. At 30 June 2022, this amounted to €3.3 million, including employer expenses (€1.5 million at 30 June 2021). Over the financial year, the Group has implemented a new allocation plan for performance shares covering a maximum number of 111,408 shares subject to achieving the Group's performance and service criteria.

The main increase in the payroll expenses item is related to the effect on the scope and the growth in the workforce as well as pay rises within the Group.

11. DEPRECIATION AND AMORTISATION

	1st half 2022	1st half 2021
Amortisation of intangible fixed assets	(1,466)	(1,482)
Amortisation of tangible fixed assets	(63,826)	(60,401)
Amortisation of rights of use	(30,468)	(27,433)
Total	(95,760)	(89,316)

12. OTHER OPERATING INCOME AND EXPENSES

	1st half 2022	1st half 2021
Gains on fixed asset sales	9,093	0
Gains on sales of rolling stock	451	595
Others	(3,912)	(1,569)
Total	5,632	(974)

The gains on fixed asset sales include the sale of two sites in France and one in Switzerland.

13. EBITDA

	1st half 2022	1st half 2021
Operating profit	90,185	67,621
Net depreciation and amortisation of fixed assets	95,760	89,316
Net impairment and provisions and other items that do not have any impact on the cash recognised under other entries	1,133	3,437
Total	187,078	160,374

14. FINANCIAL INCOME

	1st half 2022	1st half 2021
Financial income	695	365
Income from fair value of financial assets and liabilities recorded at fair value in the profit and loss	30	31
Other financial income	484	334
Net foreign exchange gains	181	0
Financial expenses	(3,626)	(3,850)
Net interest expenses on financial liabilities measured at amortised cost	(2,448)	(2,848)
Interest expenses on lease obligations	(1,171)	(934)
Expenses from fair value of financial assets and liabilities recorded at fair value in profit and loss	(7)	0
Net foreign exchange losses		(68)
Total	(2,931)	(3,485)

The average cost of debt fell over the period (0.73% in the first half of 2022 compared with 0.84% in the first half of 2021).

15. TAX EXPENSE

The effective tax rate paid during the first half of 2022 and applied to the profits of companies excluding maritime stood at 25.82%, down 2.1 points compared with the effective tax rate for the 2021 financial year (also excluding maritime) of 27.91%. This fall is mainly explained by the reduction in corporate tax

applied in France in 2021 (from 28.41% to 25.83%). As a reminder, the losses of the Maritime business did not affect the tax expense given the specific taxation (tonnage tax).

16. INTANGIBLE AND TANGIBLE FIXED ASSETS

The principal acquisitions of tangible fixed assets over the period (excluding maintenance investments) covered:

- €88.7 million of real estate investment including the warehouse in Mölhin related to the acquisition of Frigosuisse and the sites of Podova, Maia and Irun;
- The acquisition of rolling stock for €21.5 million including €17.5 million of rights of use related to leases.

17. EQUITY

At 30 June 2022, the share capital of STEF S.A. was comprised of 13,000,000 paid shares with a nominal value of 1 euro.

The dividend paid in the first half of 2022, under the result of the 2021 financial year amounted to 3.0 euros per share which is a disbursed total of €37,262 thousand.

18. PROVISIONS

The change in the provisions for risks and expenses is presented as follows:

	31 December 2021 ¹	Allocation s	Reversals	Scope	Other changes	30/06/2022
Length-of-service awards payable on retirement	19,789	2,690	(2,165)		(11,505)	8,809
Long-service awards	11,132	(1,024)	(56)		15	10,067
Dispute provisions	16,367	8,234	(12,193)		48	12,456
Other provisions	38,294	5,878	(1,019)		(65)	43,088
Total	85,582	15,778	(15,433)	0	(11,507)	74,420

¹ Restatement of the balance sheet for the 2021 financial year in application of the IFRS 3R

The reduction in the provisions is mainly explained by the fall in provisions relating to length-of-service awards payable on retirement and long-service awards. These were impacted by the rise in the discount rates over the period (3.2% in the Eurozone compared with 1.0% at 31 December 2021 and 1.7% in Switzerland compared with 0.45% at 31 December 2021).

With regard to the provision made in 2021 (€21.9 million in base) for the risk on the arrangements for applying the French Domestic Tax on Final Electricity Consumption ("TICFE"), discussions are still in progress with the Customs Administration.

Other provisions mainly cover tax and social risks.

19. LOANS AND FINANCIAL LIABILITIES

The detail of the current and non-current financial liabilities is comprised of the following classes of liabilities:

	30/06/2022	31 December 2021
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed credit lines of more than one year	444,191	369,449
Lease obligations	176,775	183,003
Fair value of financial derivatives	236	2,319
Total	621,202	554,772
Current financial liabilities		
Portion at less than one year of:		
- Bank loans and spot lines of credit	64,289	53,078
- Lease obligations	52,125	55,412
- Other miscellaneous financial liabilities	2,254	3,770
- Commercial papers	308,500	350,000
Fair value of financial derivatives	3,398	1,557
Bank overdrafts and short-term loans (a)	84,252	18,436
Total	514,818	482,252
TOTAL FINANCIAL LIABILITIES (b)	1,136,020	1,037,024
Marketable securities and investments	2,248	2,253
Cash assets	141,977	89,987
Total cash and cash equivalents (c)	144,225	92,239
Bank overdrafts and short-term loans (a)	84,252	18,436
Total net cash (c) - (a)	59,973	73,803
Net debt (b)- (c)	991,795	944,785
Debt/equity ratio	1,03	1,04

Changes in financial activities over the period, detailed by cash and non-cash flows appear below:

	Cash flows			Non-cash flows					30/06/2022
	31 December 2021	New loans	Repayments	Changes in scope	Change in fair value	Impact of foreign exchange	New lease obligations	Reclassification and other changes*	
Bank loans and credit line drawdowns	422,527	112,000	(26,847)			800			508,480
Current lease obligations (IFRS16)	238,415		(31,639)			(266)	26,120	(3,730)	228,900
Commercial papers	350,000		(41,500)			0			308,500
Miscellaneous financial liabilities & accrued interest	3,770		(1,868)			352			2,254
Bank overdrafts and short-term loans	18,436	65,816							84,252
Fair value of financial derivatives	3,876				(242)				3,634
Total:	1,037,024	177,816	(101,854)	0	(242)	886	26,120	(3,730)	1,136,020

* *Reclassifications and other changes include lease terminations*

The Group has spot loans totalling €14 million, unused at 30 June 2022 (€14 million unused at 31 December 2021) and overdraft agreements, with no agreed expiry dates, totalling €150 million (€150 million at 31 December 2021) of which €84 million was used at 30 June 2022 (€18 million at 31 December 2021).

The current cash needs required for the Group's operations are mainly provided by credit lines at parent company level. The Group has 12 confirmed medium-term credit lines available, totalling €233.8 million, of which €172.5 million was used at 30 June 2022 (10 credit lines available at 31 December 2021 for €195 million, of which €75 million was used at this date). Finally, the outstanding amount for the commercial papers programme, issued by STEF SA on maturities ranging from 1 day to 1 year is €308.5 million at 30 June 2022 (€350 million at 31 December 2021).

20. INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS BY CATEGORY

	Balance sheet value 30/06/2022	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost	Assets not qualified as financial
Unconsolidated equity instruments	1,777		1,777		
Other non-current financial assets	8,578			8,578	
Loans and receivables from financial activities	32,483			32,483	
Marketable securities	2,133		2,133		
Sub-total: other non-current financial	44,971		3,910	41,061	0
Customers	670,464			670,464	
Other-current financial assets	162,557		5,761	156,796	
Cash and cash equivalents	144,225	144,225			
Assets	1,022,217	144,225	9,671	868,320	0

	Balance sheet value 30/06/2022	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost	Liabilities not qualified as financial
Derivative financial liabilities	3,634	2,975	659		
Debts from financial activities	1,048,134			819,234	228,900
Current financial liabilities	84,252			84,252	
Sub-total: financial liabilities	1,136,020	2,975	659	903,486	228,900
Suppliers	586,867			586,867	
Other accounts payable	417,284			417,284	
Liabilities	2,140,172	2,975	659	1,907,638	228,900

Financial instruments recognised at fair value are classified according to the following hierarchy levels:

- Level 1: financial instruments which are listed on an active market;
- Level 2: financial instruments whose evaluation requires the use of valuation techniques based on observable parameters;
- Level 3: financial instruments whose evaluation requires the use of valuation techniques based in whole or in part on non-observable parameters.

	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income		9,671	
Cash and cash equivalents	2,248	141,977	
Assets	2,248	151,648	0
Derivatives		3,634	
Liabilities	0	3,634	0

21. OPERATIONS WITH RELATED PARTIES

In terms of the STEF Group, related parties are associated companies, directors (including members of the Group's Executive Management) and the shareholding structures of managers and senior executives who are not directors and employee investment funds.

The nature, terms and amounts of the transactions with related parties did not experience any significant change over the first half of 2022.

The values of the shares and the Group's share of the profit of associated companies is broken down as follows:

30/06/2022	Attributable to Group shareholders	Company's net assets	Equity value	Net profit (loss)	Net profit (loss) attributable to Group
GRUPE PRIMEVER	40%	50,575	20,928	6,359	2,544
MESSAGERIES LAITIERES	39%	15,372	7,283	1,351	523
QSL	49%	4,061	1,990	132	65
FROID COMBI	26%	6,053	1,544	1,890	482
NORFRIGO	38%	24,137	6,211	(141)	(53)
SVAT	49%	16,963	21,773	1,540	755
MEDSEALOG	40%	1,526	1,129	285	114
OLANO SEAFOOD IBERICA	32%	6,355	2,380	1,345	430
OLANO VALENCIA	40%	3,921	2,463	512	205
SNC NORMANDIE EXPORT LOGISTICS	39%	7,084	2,741	(41)	(16)
OTHERS (SSCV)		453	(812)	107	51
Total		136,500	67,630	13,339	5,100

The contribution to the income of equity-accounted companies is positive at €5,100 thousand against a positive share at 30 June 2021 of €2,836 thousand.

22. OFF-BALANCE SHEET COMMITMENTS

The off-balance sheet commitments referred to in the notes to the 2021 consolidated accounts did not change significantly over the first half of 2022.

23. CONTINGENT LIABILITIES

The Corsica Ferries dispute described in note 30 to the 2021 consolidated accounts did not change during the first half of 2022.

24. POST CLOSURE EVENTS

In July 2022, the STEF Group acquired 100% of the TTC Group (turnover of €7.5 million in 2021), a temperature-controlled transport company operating mainly in Galicia (Spain).



STATEMENT FROM THE PERSON
RESPONSIBLE FOR THE HALF-YEARLY
FINANCIAL REPORT



STATEMENT FROM THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I certify, to the best of my knowledge, that the condensed consolidated financial statements at 30 June 2022 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of all the companies included in the scope of consolidation of the STEF Group and that the business review for the first half of 2022 gives an accurate picture of the information referred to in Article 222-6 of the AMF's General Regulations.

Done in Paris, on 1 September 2022

Stanislas LEMOR
Chairman and Managing Director



STATUTORY AUDITORS' REPORT ON THE
2021 HALF-YEARLY FINANCIAL
INFORMATION



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STEF

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Statutory auditors' report on the half-year financial information for 2022

Period from 1 January 2022 to 30 June 2022

To the Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a limited review of the accompanying half-yearly consolidated financial statements for the company STEF, relating to the period from 1 January 2022 to 30 June 2022, as attached to this report;
- verification of the information given in the half-yearly business review.

These half-yearly condensed consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these consolidated financial statements based on our limited review.

I- Conclusion on the accounts

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

A limited review essentially involves interviewing the members of management responsible for accounting and financial matters and applying analytical procedures. These works are substantially less extensive than those required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free of material misstatement obtained under a limited review is a limited assurance, lower than that given by an audit.

Based on our limited review, we found no material misstatement that would call into question the compliance of the condensed half-yearly consolidated financial statements with the IAS 34 standard of the IFRS relating to interim financial information as adopted by the European Union.

II – Specific procedures

We also verified the information given in the half-yearly business review commenting on the condensed half-yearly consolidated financial statements subject to our limited review.

We have no comment to make as to the fair presentation of this information or its consistency with the half-yearly consolidated financial statements.

Done in Paris La Défense and Courbevoie, on 1 September 2022

The Statutory Auditors

KPMG S.A.

MAZARS

Jérémie Lerondeau

Anne-Laure Rousselou

Associate

Associate